

REQUEST FOR PROPOSALS

**City of Vicksburg Water Treatment Plant
Contract Operations, Management and Maintenance**

**Department of Public Works
City of Vicksburg, Mississippi
City Project No. 70301**

January 2016



**Proposals Due: 9:00 A.M. CDT,
Monday, March 7, 2016**

**Mandatory Pre-Proposal Meeting:
10:00 A.M. CDT,
Thursday, February 18, 2016**

**Honorable George Flaggs Jr., Mayor
Michael A. Mayfield, Sr., Alderman
Willis T. Thompson, Alderman
Garnet Van Norman, Director
Department of Public Works
Nancy Thomas, City Attorney**

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Section 1

Notice of Request for Proposals

The City of Vicksburg, Mississippi ("City of Vicksburg") is requesting proposals ("Proposals") from firms and organizations (the Firm) interested in providing complete Contract Operations, Management and Maintenance of the City of Vicksburg Water Plant Facilities with ten (10) year term of Service Agreement. The Request for Proposals ("RFP") requires submission of qualifications, technical approach and annual price all as described within the RFP. Proposals will be received by the City of Vicksburg at the office of City Clerk, City Hall, 1401 Walnut St., Vicksburg, MS, 39180, until 9:00 AM CDT, **Monday, March 7, 2016**.

The scope of services is for operations, management and maintenance of the Water Treatment Plant of City of Vicksburg. The details of the work to be performed are described in more detail within this RFP.

Proposals (one original and five copies) shall be submitted in the format as described in Section 3 of this RFP along with the forms provided in Section 5 as part of this RFP.

Proposers shall submit one original that bears original signatures wherever required and that volume shall be clearly marked "Original" plus five copies of the original sealed in an envelope and plainly marked on the outside of the envelope:

"Proposal for City of Vicksburg Water Treatment Plant Operations, Management and Maintenance, CITY PROJECT No. 70301"

Proposals shall also be submitted in electronic format as a PDF file on a CD. Proposals must be on standard paper sized 8 ½ x 11 with any oversized sheets folded into similar size and bound to the rest of the proposal document.

The Proposal shall be deposited with the office of City Clerk, City Hall, 1401 Walnut St., Vicksburg, Mississippi prior to the hour and date hereinbefore designated. Each Proposer must describe in his proposal the company's qualifications to perform the work. The Statement of Qualifications shall list past assignments of similar size and nature, a list of references with name and telephone number, a list of key personnel who will perform the work, and other information supporting the qualifications as required by the project described herein. The proposal shall include a technical approach in sufficient detail to demonstrate the proposer's knowledge of the required work and skillsets needed and the technical strategies for execution of the work. Additional proposal submittal requirements are specified in Section 3 of the RFP.

The Proposals submitted in response to this RFP will be evaluated in accordance with the procedures and criteria set forth herein. The City of Vicksburg will then select the Proposer that, in the sole judgment of the City of Vicksburg, submits the most advantageous Proposal taking

into consideration of price and the other evaluation criteria set forth in this RFP. The City of Vicksburg will then negotiate with and upon final agreement of terms, enter into the Service Agreement with the Proposer whose Proposal is determined, in the sole judgements of the City of Vicksburg, to be in the best interest of the City of Vicksburg.

The Facilities, scope of services and terms and conditions are further described in the Service Agreement contained herein in Section 6.

A **MANDATORY** Pre-Proposal Meeting is scheduled for Thursday, February 18, 2016 at 10:00 A.M., CDT, in the City Board Room, City Hall Annex, 1415 Walnut St., City of Vicksburg, MS 39181. Attendance by Proposers intending to submit on the project is mandatory. All potential Subcontractors and other interested parties are invited to attend. As part of the Pre-Proposal meeting, an escorted tour of the plant will be conducted by the Project's Engineering Team. The escorted tour will begin immediately after the pre-proposal meeting and will be concluded no later than 4:00 P.M. During this site visit, Contractors may conduct any additional site reconnaissance as is reasonable. This escorted tour will be the only site visit conducted as part of the RFP process. All Proposers who intend to participate in the site visit will be required to wear the necessary safety clothing including hardhats, safety glasses, and steel toed boots.

All proposals must include a **Proposal Bond** in the amount of 5% of the total contract amount and a Consent of Surety, agreeing that, in the event of the award of a Contract, a **Performance Bond** will be furnished as outlined in the Special Provisions Section of this RFP.

The successful Proposer will be required to furnish Certificates of Insurance showing coverage limits as outlined within the RFP. The selected Proposer shall procure, maintain, and keep this coverage in force at all times during the term of the Contract at the Proposer's sole expense. Proposer shall submit proof of ability to obtain such insurance in the proposal.

Copies of the Request for Proposals are on file and open to public inspection at the office of City Clerk, City Hall, 1401 Walnut St., Vicksburg, Mississippi.

An OFFICIAL version of the RFP, as part of the proposal package, may be obtained electronically by contacting:

CDM Smith
Maggie Wei, PE
210 E. Capitol St. Suite 1050
Jackson, Mississippi, 39201
Tel: (601) 317-5025 or Email: wei@cdmsmith.com

A non-refundable \$50.00 payment, in the form of a check payable to CDM Smith, is required for registering and obtaining the proposal package. Only companies who purchase the RFP document and register with CDM Smith at this address will be considered as valid proposers and will receive Addenda (if issued). Failure to register and obtain an official proposal from

CDM Smith will result in disqualification.

Additional information and assistance regarding this contracting opportunity may also be obtained through the MS Procurement Technical Assistance Program, of the Mississippi Contract Procurement Center, which can be found at: www.msipc.com.

The City has retained CDM Smith as the Engineer for City of Vicksburg Water Treatment Operations, Management and Maintenance procurement service. The CDM Smith office is located at 210 East Capitol Street, Suite 1050, Jackson, MS, 39201. For technical question, contact Maggie Wei, P.E. by email at wei@cdmsmith.com.

The City of Vicksburg is committed to require all employees related to this project are E-Verified for employment eligibility in the United States and all Companies are fully authorized to do business in the State of Mississippi.

The City of Vicksburg reserves the right to reject any and all proposals and to waive any informalities or irregularities therein.

Section 2

Procurement Process, Schedule, Terms and Conditions

2.1 Procurement Process and Timeline

The procurement process for this work is through issuance of a Request for Proposals (RFP) and receipt of proposals from qualified firms. As such, this is not a bid process although cost is one of the criteria considered in the ultimate award. The procurement process timetable is shown below in **Table 2-1**. All of the activities and dates shown in **Table 2-1** are subject to change through issuance of addenda.

Table 2-1
Target Procurement Schedule

Task	Preliminary Date
1. City Issues Initial Advertisement for Request For Proposals	January 28, 2016
2. City Issues Second Advertisement for Request For Proposals	February 4, 2016
3. Mandatory Pre-Proposal Meeting	February 18, 2016 (10:00 A.M. CDT)
4. Facilities Inspection Available to Respondents	February 18, 2016
5. Last Date for City to Receive Questions on RFP	February 25, 2016
6. Proposals Due	March 7, 2016 (9:00 A.M. CDT)
7. Evaluation Committee Completes Review of Proposals	March 28, 2016*
8. Evaluation Committee Recommendation (Negotiations Begin)	April 4, 2016*
9. Negotiations Complete - and Execute Contract	April 18, 2016*
10. Selected Contract Operator Commences Services (Notice to Proceed)	April 25, 2016*

Note: * These are target dates and subject to change at the discretion of the City.

2.2 Proposal Submission Time, Date, and Place

To be considered for evaluation, the proposals are due on or before 9:00 A.M. CDT on **March 7, 2016** at the following address. Proposals will be accepted for evaluation at City Board Meeting at 10:00 A.M. CDT on the same date.

Office of the City Clerk
City of Vicksburg, Mississippi
P.O. Box 150
1401 Walnut St.
Vicksburg, MS. 39180

Proposers shall submit one original that bears original signatures wherever signatures are required and that volume shall be clearly marked "Original" plus five copies of the original. Proposals shall also be submitted in electronic format as a PDF file on a CD. Proposals must be on standard paper sized 8 ½ x 11 with any oversized sheets folded into similar size and bound to the rest of the proposal document.

All Proposal shipping packages shall be clearly marked on the outside with the following:

"Proposal for City of Vicksburg Water Treatment Plant Operations, Management and Maintenance"

The delivery of the Proposals to the City of Vicksburg on the above date and prior to the specified time is solely the responsibility of the Proposer. The City of Vicksburg shall not be responsible for delays caused by the U.S. Postal Service or any private delivery service. Proposals delivered after the specified time will not be accepted and will be returned unopened to the Proposer with the notation "This Proposal was received after the delivery time designated for the receipt and opening of Proposals".

2.3 Contact Person /Additional Information

The contact person for this RFP is:

Maggie Wei, PE
CDM Smith
210 E. Capitol St, Suite 1050
Jackson, MS 39201

(Phone: 601-317-5025, E-Mail: weihm@cdmsmith.com)

Requests for additional information or clarifications must be made in writing to Ms. Wei no later than close of business February 25, 2016. The City of Vicksburg will issue responses to inquiries and any other corrections or amendments it deems necessary via written addenda issued prior to the due date for the Proposals.

2.4 Interpretations and Addenda

No interpretation, explanation or clarification of this RFP, including without limitation, the Appendices hereto, by any official, employee, consultant, attorney or other representative of the City of Vicksburg will be considered authoritative or binding on the City of Vicksburg unless contained in a written addenda to this RFP. The City of Vicksburg will not be bound by any information, explanation, clarification or any interpretation, oral or written, by whoever made it, which is not incorporated into a written addendum to this RFP. All addenda will be distributed to all official Proposers (who purchased the RFP documents in accordance with the instructions herein). All such addenda shall become part of this RFP and all interested parties shall be bound by such addenda.

2.5 Request for Proposal Process

It is presently contemplated that the RFP process will be as described in the following subsections; however, the City of Vicksburg reserves the right to deviate if in the best interest of the City.

2.5.1 Mandatory Pre-Proposal Meeting, Detailed Facility Inspections, Pre-Proposal Questions and Addenda

A mandatory pre-proposal meeting will be held on February 18, 2016 starting at 10:00 A.M. in the City Board Room, City Hall Annex, 1415 Walnut St., City of Vicksburg, MS 39181.

As part of the Pre-Proposal meeting, an escorted tour of the plant will be conducted by the Project's Engineering Team. The escorted tour will begin immediately after the pre-proposal meeting and will be concluded no later than 4:00 P.M. During this site visit, Contractors may conduct any additional site reconnaissance as is reasonable. This escorted tour will be the only site visit conducted as part of the RFP process. All Proposers who intend to participate in the site visit will be required to wear the necessary safety clothing including hardhats, safety glasses, and steel toed boots.

The City of Vicksburg assumes no liability for a Proposer being unable to obtain a site visit whenever it desires. The City of Vicksburg may require Proposers to sign a waiver of liability agreement during these visits. Responses to questions during inspections and interviews are for informational purposes only and shall not be relied upon. Only question submitted in writing will be considered and only those that are addressed by addenda will be binding.

To obtain answers to questions, which can be relied upon, questions from Proposers shall be submitted in writing to Ms. Wei at the address provided above prior to February 25, 2016. Response to relevant questions will be addressed at the discretion of the City through written addenda to the RFP or written clarifications to all Proposers.

2.5.2 Evaluation of Proposals

An Evaluation Committee (Committee), assisted by staff and consultants, will evaluate the Proposals in accordance with the evaluation criteria set forth in this RFP – See Section 4. The Committee may determine that clarifications and additional information is required, and if such is the case, the Committee will communicate those requests to the Proposers.

2.5.3 Selection of the Proposer and Finalization of the Service Agreement

Based on review and ranking of the proposals, the Evaluation Committee will recommend a winning Proposer and will seek authorization from the City Council of the City of Vicksburg to finalize the Service Agreement with recommended Proposer. The City reserves the right to negotiate with the highest ranking Proposer to obtain their best and final offer. In the event that those negotiations fail, the City may negotiate with the other proposers in order of ranking to obtain their best and final offer. The City will then determine the winner based on best and final

offer. The City will then finalize the Service Agreement with the Proposer as authorized by the City Council of the City of Vicksburg.

2.5.4 Execution of the Service Agreement

Based on the recommendation of the Evaluation Committee the City Administration will bring the finalized Service Agreement before the City Council of the City of Vicksburg for their consideration and if approved, for contract execution.

2.6 Prohibited Contacts

All Proposers, including persons affiliated with, or in any way related to them, are prohibited from contacting any elected officials and employees of the City of Vicksburg during the proposal process. For questions and any information requests from the City of Vicksburg related to this RFP should be obtained through the process described in Section 2.3.

2.7 Rights of the City of Vicksburg

This RFP constitutes an invitation to submit Proposals to the City of Vicksburg. This RFP does not obligate the City of Vicksburg to procure or contract for any of the scopes of services set forth in this RFP. The City of Vicksburg, including its agents and designated representatives, reserves and holds at its sole discretion, various rights and options, including without limitation, the following:

- a) To waive any minor informalities in the Proposals.
- b) To receive questions from Proposers and to provide such answers as it deems appropriate to all other Proposers.
- c) To reject any and all Proposals.
- d) To change the date for receipt of Proposals or any deadlines and dates specified in this RFP.
- e) To change the procurement and/or selection processes.
- f) To conduct investigations with respect to the information provided by each Proposer and to request additional information to support such Proposer's responses and submittals.
- g) To seek clarification of Proposals from such Proposers.
- h) To terminate the RFP procurement process at any time, even after receipt of proposals with or without the substitution of another RFP.
- i) To select and enter into negotiations with the Proposer or Proposers that in the sole judgment of the City of Vicksburg submitted the most advantageous Proposal taking into consideration price and the evaluation criteria set forth in the RFP.

- j) To enter into a Service Agreement with the Proposer whose Proposal is determined, in the sole judgment of the City of Vicksburg to be in the best interest of the City of Vicksburg.

2.7 Intent of Owner

It is the intent of the City of Vicksburg to investigate the possibility of contracting the Operation, Management, and Maintenance of the City's Water Treatment System. The Evaluation Committee will evaluate submittals and make its selection. However, the city reserves the right to terminate this process at any time, and no guarantee is expressed or implied that obligates the City of Vicksburg to contract operations, management and maintenance of said facilities.

The City of Vicksburg reserves the right to accept or reject any proposal and waive any informality in the bid process, and to award the contract to any firm which it feels is in its best interest.

The Proposers shall meet all the requirements of Federal, State, and Local laws, Regulations, Standards, Permitting Requirements, Orders, Ordinances, and any and all future amendments thereto. The proposers shall be fully compliant in their proposal with the certification requirements specified for the State of Mississippi for water treatment plant operators. The proposers shall disclose the methodology of compliance and the names of the proposed certified operators. The water plant shall be appropriately staffed at all times with sufficient and qualified personnel including certified workers as required by the Mississippi State of Department of Health (MSDH).

The City of Vicksburg will enter into a single contract with the selected Firm for Operation, Management, and Maintenance of the City of Vicksburg's Water Treatment System. The contract period will commence at a date to be negotiated and shall provide for a duration of ten (10) years from inception.

2.8 Costs Incurred by Proposers

All expenses involved with the preparation and submission of Proposals to the City of Vicksburg, interviews or any work performed in connection therewith, shall be borne by the Proposers and shall not be reimbursed by the City of Vicksburg.

2.9 Disclaimer of RFP Accuracy

The City of Vicksburg assumes no responsibility for the completeness or the accuracy of the specified technical and background information presented in this RFP, or otherwise distributed or made available during this procurement process. Without limiting the generality of the foregoing, the City of Vicksburg will not be bound by or responsible for any explanation or interpretation of the RFP documents other than those given in writing. In no event shall Proposers rely on any oral statement by the City of Vicksburg, its staff, agents, advisors or consultants.

2.10 Public Records Act

Proposers are hereby notified that information submitted as part of a response to this RFP is subject to Mississippi Public Records Act of 1983, Miss. Code Ann. §§ 25-61-1 et. seq. As such, the City shall in no way be liable or responsible for the disclosure of any submissions or portions thereof submitted in response to this RFP.

2.11 Definitions and Controlling Document

Any capitalized terms not defined in Section 1 through 5 of this RFP shall have the meaning as set forth in the Service Agreement contained in Section 6 of this RFP. If there is anything contained in this RFP that is deemed inconsistent with, or conflicts with, the Service Agreement shall control.

Section 3

Proposal Requirements

3.1 Proposal Format

Proposals submitted for the scope of services herein must be in compliance with and responsive to this RFP and the Service Agreement. Proposals must be from firms that are fully qualified to perform the work, and that firm must be the lead firm and be the firm that will execute the Service Agreement. If the proposer consists of a team, subcontractors, joint ventures or other teaming arrangement, full disclosure of the team members, partners or sub-consultants must be disclosed in the proposal. Proposal pages must be numbered. No marketing brochures may be included in the Proposals. Proposals must be on standard paper sized 8 ½ x 11 with any oversized sheets folded into similar size and bound to the rest of the proposal document. The minimum font size for all sections of the Proposal shall be 11 point excluding tables using Microsoft Excel software (or its equivalent). Proposals shall also be submitted in electronic format as a PDF file on a CD.

3.2 Proposal Submission

Proposals are due on the time and date and at the place all as stated in Section 2.2.

3.3 Organization of Proposals

Each Proposal shall conform to the format described below:

- Title Page
- Table of Contents
- Executive Summary
- Technical Approach
- Plan for Interaction with Regulatory Agencies
- Management Structure and Team
 - Project Management Structure
 - Proposed Management Team
 - Resumes
- Transition Plan and Schedule
- Projects & References
- Cost Proposal and Proposal Form 1
- Discussion of Service Agreement
- Other Proposal Forms

The City of Vicksburg desires a concise written proposal. Excess documentation and/or materials are not required and may not be helpful for proposal evaluation process.

The City of Vicksburg has the right to require Proposers to submit additional information or back-up evidence for any portion of the Proposal.

3.4 Contents of Proposal

Firms submitting proposals shall organize their proposal as follows. Any variance from this organization may be considered non-responsive, and may cause the Evaluation Committee to reject the non-responsive proposal.

3.4.1 Title Page

The Title Page shall have the name of the Proposal, which is “City of Vicksburg Department of Public Works, Request for Proposals, Operations, Management and Maintenance of Water Treatment System.” The page shall indicate clearly the name of the company submitting the Proposal and the name, address and phone number of the Proposer’s designated contact person. A fax number and e-mail address for the contact person shall also be indicated on the Title Page. The Proposer’s designated contact person is the individual who shall be the main point of contact for The City of Vicksburg to communicate with regarding this procurement.

3.4.2 Table of Contents

The Table of Contents shall follow the major requirements outlined in this Section 3.4. Tables, illustrations, figures and appendices should be indicated in the Table of Contents.

3.4.3 Executive Summary

The Executive Summary shall be a non-technical review that highlights the key features of the Proposer’s approach to the Project. Where the Proposer includes more than one company, this section shall indicate the headquarters of each of the Project Team entities with a brief description of the role of each of the entities in this Project. Relevant experience of each entity as well as key management staff who will be assigned to this Project shall be highlighted.

The Executive Summary shall recap key points in the Proposal and note what features of the Proposer’s technical approach will reduce and stabilize the Facilities’ operating and long-term capital costs. Projects where the Proposer has successfully implemented similar approaches should be cited in the Executive Summary.

3.4.4 Technical Approach

In this section, the Proposer shall describe how it intends to operate, manage and maintain the Facilities for the Term of the Service Agreement. The Proposer shall describe its understanding of the Facilities and the requirements of the City of Vicksburg as set forth in this RFP, and associated Service Agreement. This section shall allow the City of Vicksburg to gain an understanding of how the Proposer will approach the Project, what the Proposer sees as priorities and how the Proposer will protect the Facilities’ assets throughout the contract term. The following sections shall be included at a minimum:

3.4.4.1 Operating, Management and Maintenance Plan

In this section, the Proposer shall clearly present how it intends to operate, manage and maintain the Facilities. All aspects of the operations, management and maintenance shall be addressed including, but not limited to the followings:

- All facilities for water plant treatment system
- Sludge processing – existing and future
- Well field including grounds
- Four elevated water storage tanks (except as provided under separate contact to Utility Service, Inc.). At the elevated water tanks this includes the electrical and mechanical components such as valves, pumps and associated control panels and grounds maintenance
- One booster pump station located at Martin Luther King Jr Blvd
- One check valve for Airport storage tank
- Sampling and testing
- Vehicles and grounds equipment
- And other related responsibilities

Additional details on water plant systems covered under this RFP are included in Exhibit A. The Proposer shall describe how it plans to assign personnel and what backup resources it will provide to ensure reliable service.

The Proposer shall clearly present its understanding of the Facilities and shall identify the most critical aspects of operating, managing and maintaining the Facilities. The discussion shall present what management systems the Proposer intends to implement to ensure that priorities are properly established, support services provided and work completed in a timely manner.

The Proposer shall describe your overall program of preventive and corrective maintenance, equipment repair and maintenance, and plan for prevention of and response to emergencies. This includes weather-related emergencies. The City requires twenty-four (24) hours per day, seven (7) days per week, and full-time staffing 365 days per year. Coverage by certified operators shall be provided in accordance with the requirements of the MSDH.

The City of Vicksburg is interested in being able to have real time access to plant operating data and the computerized maintenance management system (CMMS) data as well as plant condition and operational reports. The Proposer should describe how they will accomplish this and identify standard reports that will be generated. The Proposer must demonstrate the ability to produce customized reports if requested by the City. Furthermore, the City of Vicksburg

requires that all operating data be made available on paper and/or electronic format and the Proposer should describe how they intend to meet this requirement.

This section shall also address sampling and laboratory procedures and quality control/quality assurance measures that will be implemented. In addition, a discussion of how the Proposer will produce and coordinate sampling and reporting activities required by MSDH and any other customary and routine reports currently produced.

The Proposer should identify the critical elements of the proposed performance QA/QC program and how the Proposer intends to keep the City's Public Works Director apprised of the program's performance. The City of Vicksburg is interested in the Proposer's ideas as to how the performance of the Contractor should be measured and rated. The Proposer shall propose the performance parameters to be measured and the relative weight of each parameter.

3.4.4.2 Maintenance Management Plan

The City of Vicksburg is very interested in how the Proposer intends to maintain the Facilities' assets and protect The City of Vicksburg's investment. The Proposer shall describe in detail how the Facilities will be maintained and specify the CMMS that will be used, and the capabilities and features of the software, and shall identify projects where the Proposer has employed the CMMS software previously. Examples of the types of management reports available from the proposed CMMS shall be presented.

The means by which the City of Vicksburg's staff will have access to view the information and reports contained in the CMMS shall be described. A description of remote electronic (read-only) access to the City of Vicksburg staff shall also be described. Examples of typical reports shall be provided in the proposal.

3.4.4.3 Staffing Plan

The Proposer shall clearly describe how staff will be deployed to ensure the reliable operations, management and maintenance of the Facilities. Since the existing plant employees must be retained initially by the Proposer, staffing transition procedures must be included. The plan shall include organization charts as well as descriptions of what the requirements and duties are for the various job classifications. The skills required for each position shall be described. Additionally, certification requirements as required by the MSDH for various positions shall be identified in the plan. The Proposer's training and safety programs it intends to employ shall be described and discussed in the Proposal.

The City of Vicksburg requires Contractors to utilize E-Verify to electronically verify the employment eligibility of all employees who perform work within the United States.

City of Vicksburg requires the Proposer to offer employment to City of Vicksburg's existing water plant employees at equal or better wages starting at the Contract Commencement Date. The Proposer may stipulate a 6 month trial period to determine the permanent employment

opportunities in the best interest of the Water Treatment Plant. The Proposer should provide a transition plan for absorbing the City's current employees.

3.4.5 Plan for Interaction with Regulatory Agencies

The Proposer shall describe in this section how it intends to interact with federal, state and local regulatory agencies. The section shall include a discussion of how the Proposer will interact with the local community as well as neighborhood groups and the City of Vicksburg. A description of what periodic reports will be provided to the City of Vicksburg shall be provided. This section shall also discuss how the Proposer intends to coordinate the reporting and release of critical water quality information with the City of Vicksburg, MSDH and any other federal and state agencies.

3.4.6 Management Structure and Team

In this section, the Proposer shall present the management structure and team that will be used for this Project.

3.4.6.1 Project Management Structure

The Proposer should describe how the Proposer's management team will interact with the City of Vicksburg staff. Where the Proposer is a team, the Proposer shall state to which team entity each member of the on-site management team reports. For example, if the team making a Proposal includes two or more companies, the company supplying the Project Manager for the Project shall be identified in this Section.

3.4.6.2 Proposed Management Team

In this section, the Proposer shall present the management team (personnel) for this Project. Identification of Certified Water Plant Operators shall also be disclosed.

3.4.6.3 Resumes

In this section, the Proposer shall present resumes of key management staff proposed for the Project. Appropriate certifications shall be provided.

3.4.7 Transition Plan

In this section, the Proposer shall describe in detail the steps that will be taken to transfer daily operation and maintenance responsibility for the Facilities, from the present City operation to the Proposer. The Proposer shall present a schedule that identifies when each activity will begin and when it will be completed. The transition plan shall address each critical area of responsibility and each facility component with particular attention to those issues identified in Exhibit B of the Service Agreement. Accelerated schedule for full transition plan will be a significant beneficial feature for this proposal.

3.4.8 Qualification and Experience

The Proposer shall provide the following qualification information concerning their company:

- a) Provide the full name, tax identification number, and main office address of the Firm, which would ultimately enter into a contract with the City of Vicksburg.
- b) Identify when the firm was organized, and if incorporated, where incorporated and how many years engaged in providing full service contract operations, management and maintenance under that name. Provide a comprehensive description of Firm's corporate ownership history. Fully identify and explain any changes in corporate ownership and/or operating name. Describe parent company relationship and history of parent company.
- c) Provide a comprehensive reference list of all facilities in the State of Mississippi where the Firm currently provides service. For each facility, provide the name, address, contact person and title, and the telephone number of the owner, and the size and type of facility.
- d) Provide a list of any violations within the past five years of any permit, license, regulations, or statute that resulted in any notices, fines, censures, punitive awards or similar actions being levied on or taken against the Firm. Identify if the firm has had any previous or current litigation matters.
- e) Submit the Firm's most recent corporate financial report and financial history.

In this section, the Proposer shall present a listing all water plant Operations, Management and Maintenance contracts that it has performed in the past five (5) years. This information will include names of clients, size and type of facilities, duration of contract, and any other pertinent information. Note that the company must be fully authorized to do business in the State of Mississippi as required qualification of the City of Vicksburg.

3.4.9 Cost Proposal

In this section, the Proposer shall present the Annual Fee for providing the services described in the Service Agreement on Proposal Form 1 – Annual Fee included in Section 5 of this RFP. The Proposals shall be in conformance with the terms and conditions presented in the Service Agreement contained in Section 6 of this RFP.

The Proposer shall submit a price proposal which includes but is not limited to the following cost components as defined as the Annual Fee in Exhibit C of this RFP. Note that the Repair and Replacement Component as defined in Section 6 the Service Agreement of this RFP has been pre-determined as an annual allocation by the City.

- Labor and Benefits
- Utilities
- Chemicals/Supplies
- Tools
- Routine maintenance supplies and equipment

- Oils, lubricants, belts, hoses, bearings, seals and related maintenance components
- Generator fuel
- Routine servicing of special equipment by outside parties as necessary
- Vehicles including Grounds maintenance equipment
- Coordination and assistance with electrical service provider
- Administration and Recordkeeping
- Laboratory operations, supplies, chemicals, testing, etc.
- Repair and Replacement Component – Annual Allocation

The work and responsibilities that encompass the Annual Fee are further defined in Exhibit A and Exhibit B. City of Vicksburg requires Proposers to provide several Start-up components as separate pay items including the safety upgrades in compliance of OSHA standards, Standard Operating Procedures (SOPs) and the Computerized Maintenance Management System (CMMS) and related improvements as needed. The Proposer is required to provide the cost for following items as a total Start-up Fee for the first year of contract commencement (not covered by Annual Fee):

- OSHA Compliance Upgrade
- SOP development and implementation
- CMMS development and implementation

Note that Arc Flash Study is to be included as part of the OSHA compliance upgrades.

Evaluation of the total project cost proposal will be based on weighting points as of thirty (30) points for the Annual Fee and five (5) points for the Start-up Fee as described in Section 4 of the RFP.

The annual water plant operation and maintenance budget and expenses from year 2015 is provided in Appendix E as reference only for Proposers to develop annual cost estimation for this proposal.

3.4.10 Affidavits

Proposal Forms 2 and 3 shall be completed and included within this Section of the Proposal.

Proposal Form 2: Affidavit from Proposer

Proposal Form 3: Affidavit from Performance Bond Surety

Section 4

Evaluations and Selection Process

4.1 Proposal Evaluation Procedure

An Evaluation Committee (Committee) will make a recommendation to the City for the highest rated Proposer to perform the requested services. The Committee will evaluate the proposal in accordance with the Evaluation Criteria specified below using the weighting factors listed. Evaluators will independently assess each proposal according to the evaluation criteria. The evaluators' proposal scores will be tallied for each proposal. The City of Vicksburg will be ultimately responsible for selecting the Proposer to perform the requested services. The designated representative of the City will conduct contract negotiations with the selected Proposer. Once monetary terms of the Contract have been negotiated with the selected Proposer, the City will present the selected Proposer to the City Council for their final approval. After final approval by the City Council of the selected Proposer, final negotiations of the terms of the Contract will occur. Upon signature of the Contract by both parties, a Notice of Intent to Award will be provided to the selected Proposer. If at any point in the negotiation process, Contract negotiations are unsuccessful with the selected Proposer, the City may either cancel the solicitation or negotiate with the next highest ranked Proposer.

4.2 Evaluation Criteria

After the Proposals have been received, they will be evaluated by Evaluation Committee comprised of designated representatives of the City of Vicksburg. No lobbying of Evaluation Committee members, elected or appointed officials will be permitted or tolerated during the entire procurement process. Said Evaluation Committee, using their sole discretion and judgement, will select one firm for further consideration based on the following criteria as shown in **Table 4-1**:

**Table 4-1
Evaluation Criteria**

Criteria	Maximum Point Value
Total Project Cost	35
• Annual Fee	30
• Startup Fee	5
Project Technical Approach	30
• Understanding of Plant Operation System	
• O&M Plan	
• Management Program	
• Transition Approach	
Qualification and Experience	15
• Water Facilities Operated in MS	
• Water Facilities Operated Nationally	
• Number of Ongoing Projects in MS	
• Resources Available Within 2 hours of Vicksburg	
Financial Status of Company	10
Regulatory Compliance History	10
Total Score	100

Evaluation of the cost proposal will be based on two components; 1) Annual Fee, and 2) Start-up Fee. The proposal with the lowest Annual Fee receives the maximum points allowed (30). The second lowest Annual Fee proposal shall receive twenty five (25) points; the third lowest proposal cost shall receive twenty (20) points, the fourth lowest proposal cost shall receive fifteen (15) points; the fifth lowest proposal cost shall receive ten (10) points, the sixth lowest proposal cost shall receive five (5) points and all subsequent proposals receiving zero (0) points. A similar scoring will be used for the Startup Fee evaluation. The lowest Startup Fee proposal receives 5 points and subsequent higher proposals are deducted 1 point each.

The Evaluation Committee will review and rank the Project Technical Approach based on the detail provided and the Proposers knowledge and understanding of the needs of the City for operation of the Water Plant. Qualifications will be reviewed and ranked for the criteria specified and the Proposers compatibility and relevant experience with the needs of the City. Financial Status will be reviewed to determine if the Proposer has the financial capacity to undertake the work for both startup and long term operation. The Committee will review the compliance history of the Proposer to evaluate past performance and regulatory history as it may relate to water plant operations.

4.3 Evaluation Committee Recommendation

The Evaluation Committee will evaluate all Proposals using the criteria described above and the process set forth in Section 2.5.3 of this RFP. The Evaluation Committee will submit its evaluation of the Proposals and its recommendation to the City of Vicksburg. Upon receipt of the Evaluation Committee's recommendation, the selection of the recommended Proposer will be presented to the City Council for approval. Upon approval any changes to the Service Agreement shall be finalized and provided to the City Council for approval. If at any point in the negotiation process, Contract negotiations are unsuccessful with the selected Proposer, the City may either cancel the solicitation or negotiate with the next highest ranked Proposer.

Section 5

Proposal Forms

This section contains all Proposal Forms required to be completed by Proposer for this RFP.

Proposal Form 1: Annual Fee

Proposal Form 2: Affidavit from Proposer

Proposal Form 3: Affidavit from Performance Bond Surety

The content of this Form may not be modified by the Proposer.

PROPOSAL FORM 1
ANNUAL FEE

STATE OF MISSISSIPPI
THE CITY OF VICKSBURG

BEFORE ME, the undersigned authority, personally came and appeared _____, who after being by me duly sworn, deposed and said that he is fully authorized representative of _____ (hereinafter referred to as "Proposer") the party who has prepared the Proposal for the Operations, Management, and Maintenance of the water treatment facilities, well field, storage tanks, and booster pump station for the City of Vicksburg, which Proposal of will be received by the City of Vicksburg on March 7, 2016 and said affiant further stated that the Annual Fee as defined in the Exhibit C of Service Agreement contained in the Request for Proposals (as amended) is equal to the sum of a) and b) from April 25, 2016 through contract completion April 25, 2026 (ten years of contract duration) and Start-Up Fee for the first Contract Year as defined in Exhibit C of the Service Agreement is equal to c):

a) Base Annual Fee - Annual Operations, Management and Maintenance Component representing the Contractor's annual price for the Operations, Management and Maintenance of the facilities equal

to: _____ dollars (\$ _____)

b) The Annual Repair and Maintenance Component equal to Fifty thousand dollars (\$ 50,000). The Contractor shall either refund any amount of the Annual Repair and Maintenance Amount that has not been spent or reduce the next year's Annual Fee by the amount that has not been spent.

c) The Start-up Fee during the first contract year of operation consisting of the following:

(i) Upgrade of OSHA Compliance

_____ dollars (\$ _____)

(ii) Development of SOPs

_____ dollars (\$ _____)

(iii) Development of CMMS

_____ dollars (\$ _____)

Total Start-up Fee, sum of (i), (ii) and (iii), equal to

_____dollars (\$_____)

(Signature of Proposer)

Printed Name and Title of Proposer

SWORN TO AND SUBSCRIBED

BEFORE ME THIS _____DAY OF _____, 2016

(SEAL)

NOTARY PUBLIC IN AND FOR THE STATE OF _____

The content of this Form may not be modified by the Proposer.

**PROPOSAL FORM 2
AFFIDAVIT FROM PROPOSER**

STATE OF MISSISSIPPI
THE CITY OF VICKSBURG

BEFORE ME, the undersigned authority, personally came and appeared _____, who after being by me duly sworn, deposed and said that he is fully authorized representative of _____ (hereinafter referred to as "Proposer") the party who has prepared the Proposal for the Operations, Management, and Maintenance of the water treatment facilities, well field, storage tanks, and booster pump station for the City of Vicksburg, which Proposal will be received by the City of Vicksburg on _____, 2016 and said affiant further stated:

- 1) Said Proposal is genuine and the Proposer has not colluded, conspired, or agreed directly or indirectly with any other Proposer to offer a sham or collusive Proposal. The Proposer understands that collusive bidding and all similar activity is a violation of city, state, and federal law, and can result in fines, prison sentences and civil damages. The Proposer agrees to abide by all conditions of this procurement and its Proposal, and I certify that I am authorized to sign for this Proposer.
- 2) Said Proposer has not in any manner directly or indirectly agreed with any other persons to fix the proposal price of affiant or any other Proposer, or to fix any overhead profit or cost element of said proposal price, or that of any other Proposer, or to induce any other person to refrain from proposing.
- 3) Said Proposal is not intended to secure an unfair advantage of benefit from the City of Vicksburg or in favor of any person interested in the proposed contract.
- 4) All statements contained in said Proposal are true, correct and complete.
- 5) Said Proposer hereby certifies that no officer of the companies comprising the Proposer, or any affiliates of the companies comprising the Proposer, has been convicted of fraud by the federal government or by any government entity in Mississippi or any other State within the last ten years.
- 6) Said Proposer hereby certifies that the Proposer, or any affiliates of the companies comprising said Proposer, have not filed for bankruptcy within the previous ten years.

7) Neither affiant nor any member of his company has divulged information regarding said Proposal or any data relative thereto to any other person, firm, or corporation other than those involved in preparation of the Proposal on behalf of the Proposer's team.

8) I acknowledge receipt of addenda:

No.

Date

Said Proposer hereby certifies the truth and accuracy of the above statements under the pains and penalties of perjury.

(Signature of Proposer)

Printed Name And Title Of Proposer

SWORN TO AND SUBSCRIBED

BEFORE ME THIS _____ DAY OF _____, 2016

(SEAL)

NOTARY PUBLIC IN AND FOR THE STATE OF _____

The content of this Form may not be modified by the Proposer.

PROPOSAL FORM 3
AFFIDAVIT FROM PERFORMANCE BOND SURETY

STATE OF MISSISSIPPI

THE CITY OF VICKSBURG

BEFORE ME, the undersigned authority, personally came and appeared _____, who after being by me duly sworn, deposed and said that he is fully authorized representative of _____ (hereinafter referred to as "Surety") and said affiant stated:

1) That I am familiar with _____ (hereinafter referred to as "Proposer") the party who prepared a Proposal for the Operation, Management, and Maintenance of the water treatment facilities, Well Field, Elevated Storage Tanks, and Booster Pump Stations for the City of Vicksburg, which Proposal will be received by the City of Vicksburg _____, 2016.

2) That I am familiar with form of the proposed Performance Bond contained in the Service Agreement (as amended) issued by the City of Vicksburg.

3) That if Proposer is awarded the Service Agreement by the City of Vicksburg, Surety will issue a Performance Bond in the amount of the annual service fee or \$ _____ for the benefit of the City of Vicksburg in substantially the form contained in the Service Agreement, in case the Proposer should default on any of the obligations contained in the Service Agreement, subject to the Surety's review of the terms and conditions of the Service Agreement and bond form and assuming that no material adverse changes have occurred to the Proposer's financial condition between the date of this Proposal Form 3 and the date that the performance bond is to be issued.

4) That Surety has a rating of at least "A" (or the equivalent) from an appropriate recognized rating agency and Surety is licensed as a Surety Company in the United States of America; and authorized to do business in the State of Mississippi.

5) I certify that I am authorized to sign for this Surety.

6) Said Surety hereby certifies the truth and accuracy of the above statements under the pains and penalties of perjury.

(Signature of Surety)

(Printed Name and Title)

SWORN TO AND SUBSCRIBED

BEFORE ME THIS _____ DAY OF _____, 2016

(SEAL)

NOTARY PUBLIC IN AND FOR THE STATE OF _____

Section 6

Service Agreement

The contents included in this Service Agreement are listed as below:

Article One	Documents
Article Two	Definitions
Article Three	Operations, Management and Maintenance of the Facilities
Article Four	Service Fees
Article Five	Indemnification and Limitation of Liability
Article Six	Insurance, Performance Bond and Letter of Credit
Article Seven	Term, Default and Termination
Article Eight	General Provisions

The exhibits along with this Service Agreements are listed below:

Exhibit A	Description of the Facilities
Exhibit B	Scope of Services
Exhibit C	Annual Fee
Exhibit D	Insurance Requirements
Exhibit E	Form of Performance Bond
Exhibit F	Nondiscrimination Certificate

**SERVICE AGREEMENT
FOR
OPERATIONS, MANAGEMENT AND MAINTENANCE
OF WATER TREATMENT FACILITIES, WELL FIELD AND STORAGE TANKS**

THIS SERVICE AGREEMENT FOR THE OPERATIONS, MANAGEMENT AND MAINTENANCE OF WATER FACILITIES ("Service Agreement"), dated as of the _____ day of April, 2016 by and between the City of Vicksburg ("City"), State of Mississippi, and _____, a _____ corporation ("Contractor").

WITNESSETH

WHEREAS, the City of Vicksburg issued a Request for Proposals ("RFP") on January 28, 2016 inviting the Contractor, among others, to propose; and

WHEREAS, the Contractor, in response to the RFP, submitted a proposal ("Contractor's Proposal") for the Operations, Management and Maintenance of the Water Treatment Facilities; and

WHEREAS, the City of Vicksburg has selected the Contractor, pursuant to the RFP and the Contractor's Proposal, to Operate, Manage and Maintain the Water Treatment Facilities in reliance on the skill, expertise and past successful experience of the Contractor, and in accordance with the terms, conditions and provisions of this Service Agreement.

NOW, THEREFORE, in consideration of the mutual premises set forth above, and the terms and conditions hereinafter set forth, and for other good and valuable consideration, receipt of which is hereby acknowledged, the City of Vicksburg and the Contractor hereby agree as follows:

ARTICLE ONE DOCUMENTS

1.01 Service Agreement Documents

The following Exhibits are attached hereto and are incorporated into and made part of this Service Agreement. In the event of a conflict or inconsistency between or among the Exhibits and the Sections of this Service Agreement, the Parties agree that the Sections of this Service Agreement shall control over the Exhibits.

Exhibit A – Description of the Facilities

Exhibit B – Scope of Services

Exhibit C – Annual Fee

Exhibit D – Insurance Requirements

Exhibit E – Form of Performance Bond

Exhibit F – Nondiscrimination Certificate

This Service Agreement, together with the foregoing Exhibits, constitutes the entire Service Agreement between the City of Vicksburg and the Contractor.

ARTICLE TWO DEFINITIONS

2.01 - Certain Terms

As used in this Service Agreement, the following words and phrases shall have the meanings set out below unless a different meaning clearly appears from the context in which the term appears:

“**Agreement**” or “Service Agreement” means this document.

“**Annual Fee**” is defined in Exhibit C.

“**Base Annual Fee**” is described and defined in Exhibit C.

“**Change in Law**” means: (a) the enactment, adoption, promulgation, modification or repeal after the Proposal Date of any Federal, State, or Local, Ordinance, Code, Rule, Regulation or other similar Legislation or the change in interpretation after the Proposal Date, of any Federal, State, or Local law, Ordinance, Code, Rule, Regulation, Official Permit, License or approval by any regulatory entity having jurisdiction with respect to the operations, management or maintenance of the Facilities; or (b) the imposition, after the Proposal Date, of any material conditions on the issuance, modification or renewal of any Official Permit, License or Approval necessary for the Operations, Management and

Maintenance of the Facilities, which, in either case, requires the removal of Force Majeure or activity that increases the cost of performance, and which establishes requirements with respect to the operations, management or maintenance of the Facilities, which are more burdensome than the most stringent requirements:

- (i) in effect on the Proposal Date, or
- (ii) specifically included in this Service Agreement.

For the purposes of part (a) of this definition, no enactment, adoption, promulgation or modification of laws, ordinances, codes, rules, regulations or similar requirement or enforcement policy with respect to any such requirement shall be considered a Change in Law if, as of the Proposal Date, such law, Ordinance, Code, Rule, Regulation or other similar requirement would have directly affected the continued operations, management and maintenance of the Facilities by the City of Vicksburg after the Proposal Date in the absence of this Service Agreement, and either such Law, Ordinance, Code, Rule, Regulation or other similar requirement was (i) officially proposed by the responsible agency and published as a final rule in the Federal Register or equivalent Federal, State or Local publication before the Proposal Date and thereafter becomes effective in the same form without further action; or (ii) enacted into law by the United States, a State or Local body before the Proposal Date. In no event shall a change in any Federal, State or Local tax law, or any change that affects the general cost or procedures of conducting business be considered a Change in Law.

"City" means City of Vicksburg, Mississippi.

"City Indemnified Parties" is defined in Section 5.01.

"City Event of Default" is defined in Section 7.02.

"CMMS" means computerized maintenance and management system and is described and defined in Section 3.4.

"Commencement Date" means the date for Notice to Proceed of the Service Agreement

"Contractor" is defined and identified on Page 1 of this Service Agreement and includes its successors and assigns in accordance with Section 8.06.

"Contractor Event of Default" is defined in Section 7.02.

"Contract Date" means the date first written above.

"Contract Year" means a particular 12-month period of the Term. Contract Years are numbered consecutively; Contract Year One begins on the Commencement Date, and each succeeding Contract Year begins on the anniversary of the end of Contract Year One.

"CPI" means Consumer Price Index as defined in Exhibit C.

"Declaration of Emergency" means that the City of Vicksburg has declared, and notified the Contractor that a state of emergency exists. Such declaration and notification will normally occur in Writing, but it may also occur Verbally followed by the Written Declaration and Notification.

"DEQ" means the State of Mississippi Department of Environmental Quality.

"Discretionary Replacements or Improvements" are described and defined in Section 3.07.

"Facility" means any one of the facilities described in Exhibit A.

"Facilities" means the facilities described in Exhibit A.

"Fixed Monthly Fee" is defined in Section 4.02.

"Force Majeure" means any act, event or condition that is beyond the control of a Party and has a direct material adverse effect on the performance of such Party. Such acts or events shall include, but not be limited to: (a) fires, floods, explosions, and other acts of God, a terrorist act, or the acts of civil or military authority, riots; (b) a Change in Law; (c) the discharge of a toxic material into the raw water such that; (i) the resulting raw water cannot be treated with the existing treatment processes; or (ii) the Process Residual resulting from the treatment of such raw water is a Hazardous Waste. "Hazardous Waste" is defined in the Resource Conservation Recovery Act (42 U.S.C.A. § 6901 et seq.) and federal regulations implementing said Act.

"Initial Annual Fee" is described and defined in Exhibit C.

"Inventory" is defined in Section 3.08.

"Maintenance and Repair" is described and defined as any repair or replacement of equipment that is part of the Facilities and that costs less than twenty five thousand dollars (\$ 25,000) for parts and supplies; or fifty thousand dollars (\$ 50,000) for parts, supplies and labor including only the labor costs for the items listed on Schedule 9 of Exhibit B, if the City has made a Declaration of Emergency.

"Maintenance and Repair Component" is described and defined in Section 4.02.

"Major Repair" is defined as any repair or replacement of a single piece of equipment that is part of the Facilities and that costs more than \$ 25,000 for parts and supplies, calculated including only the labor costs for the items listed on Schedule 9 of Exhibit B. The Memorandum of Understanding for a Major Repair may allow the Contractor to recover the cost of labor in addition to the labor identified in Schedule 9 of Exhibit B.

"MSDH" - means the Mississippi State Department of Health

"Memorandum of Understanding" means the memorandum of understanding executed by the City and the Contractor that defines the scope of services and payment terms for a Major Repair. The scope of services may include, among other things, obtaining permits for the work.

"O&M Manuals" means the operating and maintenance manuals for the Facilities, including manuals for both systems operation and for the operation and maintenance of the individual items of equipment in the Facilities as provided by the manufacturer(s).

"Party" or **"Parties"** means either, the City the Contractor, or both, as the context of the usage of such term may require.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

“Process Residual” means all waste and by-products resulting from the operation, management, and maintenance of the Facilities, including screenings, sludge, chemical residuals, lubricants, and waste generated from emptying the various treatment units.

“Project Manager” means the person designated in Section 3.02 to perform the duties stated therein.

“Proposal Date” is the final date on which proposals for the Service Agreement are due. This date is March 7, 2016.

“Removal of a Force Majeure” is described and defined in Section 3.06.

“Service Fee” means all fees payable by the City to the Contractor as provided in Article Four 4.02.

“Sludge” means the particulate remaining from the treatment of water.

“Staffing Plan” means the Contractor’s plan for staffing the Facilities submitted in accordance with Exhibit B and approved by the City pursuant to Section 3.02.

“State” means the State of Mississippi and all of its administrative, contracting and regulatory agencies and offices.

“Term” means the term of this Service Agreement start from Commencement Date April 25, 2016 and end on April 25, 2026. It is described in details in Section 7.01.

“Water Treatment Facility” or **“Water Treatment Facilities”** means the Facility or Facilities used to treat water described in Exhibit A.

ARTICLE THREE OPERATIONS, MANAGEMENT AND MAINTENANCE OF THE FACILITIES

3.01 General

During the Term, the Contractor shall provide full time 24 hours per day, 7 days per week Operations, Management and Maintenance of the Facilities. The Contractor shall operate, manage and maintain the Facilities as required by this Service Agreement and all applicable Federal, State and Local Laws, Rules, Regulations, Ordinances, Codes, Standards, Permits, and Licenses.

The Contractor has had the opportunity to tour the Facilities and review the City’s operating, maintenance and other relevant records for the Facilities prior to executing this Service Agreement and accepts the Facilities “as is”, except for the equipment identified in

Schedule 7 of Exhibit B, for which Contractor shall not be responsible for operating or maintaining such identified equipment.

3.02 Staffing

The Contractor's Project Manager shall have overall responsibility for the Operations, Management and Maintenance of the Facilities and shall act as liaison between the Contractor and the City. The Contractor's staff shall include duly licensed or certified individuals for those positions requiring licenses or certifications as required by the MSDH or applicable law. The Contractor's staff shall be able to E-Verify for employment in the United States.

The Contractor hereby designates _____ as the Contractor's Project Manager. The City has selected the Contractor to perform the services contemplated under this Service Agreement based, in part, on the past successful experience and expertise of the designated Project Manager. Accordingly, the Contractor shall not, absent good cause, replace or remove the approved Project Manager. Any replacement Project Manager must be approved in writing by the City prior to starting work.

The Contractor shall, at a minimum, maintain the project staffing level shown in the Staffing Plan approved by the City and included as Schedule 8 of Exhibit B of this Service Agreement. Any changes in such staffing level shall be made only with the written approval of the City. The individuals identified in Schedule 10 of Exhibit B who are full time employees of the City as of the date of this Service Agreement shall be offered employment by the Contractor at wage rates and with benefits, that are effective immediately upon employment by the Contractor and with no prequalification relative to "pre-existing conditions", at least equivalent to what they receive as City employees as of the date of this Service Agreement. The Contractor shall provide to the individuals identified in Schedule 10 of Exhibit B that accept employment with the Contractor vacation benefits equivalent to those which they are entitled to under the City's benefits program as of the date of this Service Agreement. Reassignment of employees listed in Schedule 10 of Exhibit B who accepts offers of employment to a project other than the City of Vicksburg Water Facilities shall be solely at the employee's option. The Contractor shall employ the individuals listed in Schedule 10 of Exhibit B who accept employment with the Contractor as of the date that the Contractor assumes responsibility of the operations, management and maintenance of the Facilities for at least a 6 month trial period and shall only dismiss any such individuals and otherwise remove, discharge, suspend without pay, demote or reduce in rank, or deprive of vacation privileges or other special privileges, or any combination thereof for any of the following reasons: incompetency, inefficiency, or other reasonable grounds. The Contractor, including the Project Manager and the City shall

actively pursue, establish and maintain a business like, responsible and responsive working relationship with each other.

The Contractor shall also actively pursue, establish, and maintain good relations with the representatives of all applicable regulatory agencies and other persons with which the Contractor and the Project Manager have dealings relative to the Facilities. Once each month or, as necessary, on a more frequent basis, the Contractor shall meet with the City's staff to review operations, reports, on-going cost information and other data and information relating to the Parties obligations under this Service Agreement.

3.03 Certain Warranties Regarding Workmanship, Parts Equipment and Consumable Supplies

The Contractor warrants that it shall perform all work using properly trained and skilled labor, and shall perform all work in compliance with all Laws, Rules, Regulations, Ordinance, Codes and Standards prevailing in the United States for Operations, Management and maintenance of the Facilities.

The Contractor shall maintain on behalf of the City all third party warranties on the equipment of the Facilities, and shall fully cooperate and assist the City in enforcing existing warranties and guarantees relative to the Facilities. This shall include all existing warranties referred to the Contractor by the City and the equipment or components provided by the contractors and vendors selected by the City. The Contractor shall keep a list of all current warranties and provide an updated list in its monthly reports as required in Exhibit B.

If the Contractor breaches a requirement necessary for the City of warranty of an item, the Contractor shall replace such item at no cost to the City with a new item of at least equal quality.

3.04 Maintenance and Repair

The Maintenance and Repair funds described in Section 4.02 shall be used to pay for the cost of all Maintenance and Repair work as set forth in this Service Agreement, including the definitions of Maintenance and Repair and the Maintenance and Repair Component. If the Contractor is unable to demonstrate to the City that it has fully complied with the maintenance requirements set forth in Exhibit B and appropriate schedules thereto when a particular component, piece of equipment or a machine fails, the Contractor shall be responsible for the full cost of any resulting Maintenance and Repair work and shall not charge the Maintenance and Repair Component for such work. The documentation provided in the CMMS with respect to the required preventive maintenance and its performance or lack of performance by the Contractor, shall be used, among other things, to determine if the Contractor maintained, or failed to maintain the Facilities in accordance with this Service Agreement.

3.05 Major Repairs

At any time, the City at its sole discretion may request the Contractor to make specific Major Repairs to the Facilities, and the Contractor shall submit to the City a proposal that includes a description of services, any required changes to this Service Agreement and a firm fixed price or cost estimate for the Major Repair. Alternatively, the City may provide the Contractor with a scope of services (including without limitation, design plans and specifications) and the Contractor shall provide a firm fixed price or cost estimate or both (as required by the City) and any required changes to this Service Agreement. In either case, if the City desires the Contractor to proceed with such work, the City and the Contractor shall mutually develop and execute a Memorandum of Understanding setting forth, at a minimum, the scope of work and payment terms. If the Contractor is unable to demonstrate to the City that it has fully complied with the maintenance requirements set forth in Exhibit B and appropriate schedules when a particular component, piece of equipment or a machine fails, the Contractor shall be responsible for the full cost of any resulting Major Repair. The documentation provided in the CMMS with respect to the required preventive maintenance and its performance or lack of performance by the Contractor shall be used, among other things, to determine if the Contractor maintained or failed to maintain the Facilities in accordance with this Service Agreement.

The City, at its discretion, may provide the Contractor written authorization to proceed with the Major Repair in accordance with the Memorandum of Understanding signed by the Contractor and approved by the City. When proceeding with a Major Repair, the Contractor shall comply with the design requirements found in Section 3.11.

The City retains the right to procure the services of firms other than the Contractor to perform such work. The Contractor shall cooperate fully with the City and any firm the City retains to perform such work.

3.06 Removal of A Force Majeure

In the event the Contractor's performance is, or may be, affected by a Force Majeure, the City may request that the Contractor take such actions necessary to remove or mitigate the effect of the Force Majeure (or in the case of a Change in Law, compliance with the changed law) ("Removal of a Force Majeure"), and the Contractor shall submit to the City a proposal that includes proposed services and cost estimates for such project. Alternatively, the City may provide the Contractor with a scope of services (including without limitation, design plans and specifications) and the Contractor shall provide a firm fixed price or cost estimate or both (as required by the City) and any required changes to this Service Agreement. In either case, if the City desires the Contractor to proceed with such work, the City and the Contractor shall mutually develop and execute a Memorandum of Understanding setting forth at a minimum, the scope of work and payment terms. The City,

at its discretion may provide the Contractor written authorization to proceed with the Removal of the Force Majeure in accordance with the Memorandum of Understanding signed by the Contractor and by the City. To proceed with the Removal of the Force Majeure, the Contractor must comply with the design requirements of Section 3.11. Any or all of the services described herein may be subject to the public bid laws of the State of Mississippi, where applicable Contractor must comply with these laws.

3.07 Discretionary Replacements or Improvements

At any time, the City at its sole discretion may request the Contractor to make specific replacements and/or improvements to the Facilities (“Discretionary Replacements or Improvements”), and the Contractor shall submit to the City a proposal that includes a description of services, any required changes to this Service Agreement and a firm fixed price or cost estimate for the Discretionary Replacements or Improvements. Alternatively, the City may provide the Contractor with a scope of services (including without limitation, design plans and specifications) and the Contractor shall provide a firm fixed price or cost estimate or both (as required by the City) and any required changes to this Service Agreement. In either case, if the City desires the Contractor to proceed with such work, the City and the Contractor shall mutually develop and execute a Memorandum of Understanding setting forth at a minimum, the scope of work and payment terms.

The City, at its discretion, may provide the Contractor written authorization to proceed with the Discretionary Replacements or Improvements in accordance with a memorandum of Understanding signed by the Contractor and the City. When proceeding with Discretionary Replacements or Improvements, the Contractor shall comply with the procurement and design requirements of Section 3.11.

The City retains the right to procure the services of firms other than the Contractor to perform such work. The Contractor shall cooperate fully with the City and any firm the City retains to perform such work. Any or all of the services described herein may be subject to the public bid laws of the State of Mississippi, where applicable Contractor must comply with these laws.

3.08 Inventories

The Contractor and the City shall conduct an inventory of the materials, equipment, supplies, spare parts and chemicals, and shall execute jointly a schedule listing all items in such inventories (“Inventory”) immediately after the commencement of the Service Agreement. Thereafter the Contractor shall assume custody of all items in such Inventories and shall be responsible for replenishing such Inventories to their initial stock levels or greater if necessary. Any proposed modifications to the inventoried items shall be submitted by the Contractor to the City for approval. The Contractor shall identify City’s tag ID for all equipment and review with the City as part of the completion of Inventory.

For any new equipment purchased by the Contractor during the term of Service Agreement, the Contractor shall notify City to tag the new equipment as City's asset and update the inventory accordingly.

For any equipment being removed or replaced by the Contractor during the Contract term, the Contractor shall notify the City to remove the tag and update Inventory accordingly with the City.

Upon completion of the Term, such Inventories shall have the same composition as the initial Inventory unless otherwise approved in writing by the City.

3.09 Title to All Parts

Ownership of all improvements, materials, equipment and supplies purchased by the Contractor for the operations, management and maintenance of the Facilities, with the exception of vehicles and rolling stock, shall vest in the City upon delivery to the Facilities.

3.10 Testing Services

Testing services for equipment shall be performed by the Contractor each year throughout the Term as specified in Exhibit B.

The Contractor shall promptly address any deficiencies identified in the testing report. If the Contractor fails to provide the City with the testing report or fails to correct identified deficiencies, the City, at its sole discretion, may withhold up to 10 percent of the Fixed Monthly Fee for each month that the Contractor fails to provide the report or fails to correct the identified deficiencies. All such amounts (without interest) shall be returned to Contractor upon satisfactory completion, as determined by the City, of the necessary work.

3.11 Design

If any Major Repair, Discretionary Replacements or Improvements, or Removal of a Force Majeure involves design work, the Contractor shall ensure that the design work shall: (i) be performed by an engineer licensed in the State of Mississippi and having experience in the appropriate engineering discipline; and (ii) secure prior written approval of the design by the City prior to implementing such work. The City, however, may provide a written waiver for this requirement in whole or part. Additionally, the City reserves the right to have any of the above mentioned services performed by an engineer of its choice, and the Contractor shall then implement such design on the same basis as is stated elsewhere in this Service Agreement for each such category.

3.12 Inspection by the City of Vicksburg

(a) The City's representatives and agents, with the full cooperation of the Contractor and on a twenty four (24) hour per day basis, shall have full access to and unlimited rights to inspect the Facilities and to perform any sampling and testing to determine whether the Contractor is in compliance with all of its obligations pursuant to

this Service Agreement. The City shall bear the costs for such inspections, sampling and testing done by the City, the City's representatives or agents. If such inspection shall reveal deficiencies in the operations, management or maintenance of the Facilities, the Contractor shall, in a timely manner and not more than thirty (30) days (unless a shorter time period is contained in an order or judgment requiring the correction of such deficiencies) from the date of the Contractor's receipt of written notice by the City of such deficiencies to correct or take appropriate steps to commence the correction of such deficiencies or to dispute any such report.

(b) If the Contractor fails to correct such identified deficiencies within the aforementioned cure period, the City, in its sole discretion, may in accordance with Section 4.02, withhold up to 10 percent of the Fixed Monthly Fee for each month that Contractor fails to correct the identified deficiencies. All such amounts, without interest, shall be returned to the Contractor upon satisfactory completion, as determined by the City, of the necessary work. Corrections made with respect to a City inspection which result in work that is categorized as a Major Repair shall be treated as a Major Repair; provided, however, other provisions of this Service Agreement notwithstanding, Major Repairs necessitated by the failure of the Contractor to maintain the Facilities in accordance with this Service Agreement shall be at the Contractor's expense. The documentation provided in the CMMS with respect to the required preventive maintenance and its performance or lack of performance by the Contractor, shall be used, among other things, to determine if the Contractor maintained, or failed to maintain, the Facilities in accordance with this Service Agreement.

3.13 Process Residuals and Lime Sludge Disposal

The Contractor shall be responsible for managing and processing of sludge produced at the Facilities in accordance with all Local, State and Federal Regulations, Ordinances and Laws.

The Contractor shall maintain sludge cake total solids concentration measured as percent dry solids, at or above that achievable as demonstrated by a performance test of the existing sludge dewatering equipment. Prior to Contract Commencement the Contractor shall submit a proposed performance testing procedure to establish the acceptable percent by weight for approval by the City. The solids content of lime sludge produced as a result of the water softening process is approximately 45%-55% based on plant current operation condition.

The lime sludge disposal service is currently provided by Falco Chemical, Inc., with service agreement between the City and Falco Chemical which will end on January 31, 2018. The Contractor shall maintain lime sludge content within the range of 45%-55% to coordinate with existing sludge disposal service provider. The existing contract for Lime

Sludge Disposal service agreement between the City and Falco Chemical is provided as Appendix F of this RFP for informational purposes only.

Upon the expiration of current sludge disposal service agreement with Falco Chemical, the City will determine to either renew the existing service agreement with Falco Chemicals for another 5 years or to procure this service through RFP with a written notice at least thirty days (30) prior to the current contract expiration date.

3.14 Security at the Facilities, Confidentiality of Security Measures

Access to the Facilities by the City shall only be afforded to those individuals presenting proper identification to security personnel. The gates into the Facilities shall remain closed at all times except when admitting visitors or personnel.

The Contractor shall provide whatever additional security measures may be required by the City during the Term. If such measures increase the Contractor's costs, the City and the Contractor shall negotiate and execute an appropriate amendment to this Service Agreement.

The Contractor shall develop and implement water Contamination Warning System as to sustain protection of Public Health and the Environment regarding the Water Security Initiative as required by EPA. EPA has published three interim guidance documents on drinking water contamination warning systems. These documents advise utilities regarding the design, development, deployment, and use of monitoring and warning systems.

Further, the Contractor shall comply with any applicable requirements from the Department of Homeland Security pertaining to public water supply security and protection all at no extra cost to the City.

It is understood and agreed by the Contractor that such things as Vulnerability Analyses of the Facilities and various security measures used to make the Facilities less vulnerable to sabotage are confidential and are not to be disseminated outside of the Facilities nor disclosed to other Persons. If the Contractor receives any request by any Person who is not directly involved with the operations, management or maintenance of Facilities for such information, the Contractor shall not disclose such information and the Contractor shall immediately notify the City of such request.

3.15 Housekeeping; Maintenance of Buildings and Grounds

The Contractor shall maintain the buildings, grounds and landscaping at the Facilities including grounds at all Elevated Storage Tanks in an attractive and neat manner. Specific standards are set forth in Exhibit B. The Contractor is responsible for purchase and payment of all housekeeping supplies and janitorial supplies for maintenance of the building and grounds.

3.16 Safety Program

The Contractor shall ensure that its employees, agents, representatives, and subcontractors comply with applicable federal, state, and local health and safety regulations and manufacturer's procedures and recommendations, and all employees are oriented to the safety, health, and environmental regulations specific to the Facilities. The Contractor shall comply with the safety manuals developed in accordance with Exhibit B.

The Contractor shall be responsible for identifying any Facility modifications necessary for complying with the Occupational Safety and Health Administration (OSHA) and any other Governmental Health and Safety Law.

The contractor shall develop written procedures that will ensure that the Facilities can be safely operated, managed and maintained until such time as the facility modifications can be made.

3.17 Emergency Procedures Planning

The Contractor shall prepare all emergency procedures plans required by law, including plans as described in Exhibit B. Such plans must be approved in writing by the City, whose approval shall not be unreasonably withheld or denied. The Contractor shall comply with its emergency procedures plans, except as otherwise required by law.

If approved by the City, the Contractor may modify the emergency procedures plan from time to time.

3.18 Regulatory and Safety Reports

(a) The Contractor shall in a timely manner, generate, file in an organized and readily retrievable manner, store and provide to all governmental regulatory and permitting agencies having appropriate jurisdiction over the operations, management and maintenance of the Facilities, all information, notices and reports, including sampling and testing results, as may be required of the Contractor pursuant to applicable federal, state and local laws, regulations, permits and orders. The Contractor shall sign, as the operator of the Facilities, all reports and submittals required by regulatory agencies. If the owner's signature is required, the City shall sign as the Owner.

(b) The Contractor shall as soon as reasonably practicable under the circumstances, but no later than eight (8) hours or any period prescribed by applicable law, rule, regulation, ordinance, judgment or order whichever is earlier, notify and provide the City with any and all information as the same becomes available relative to any activity, problem, event or circumstance that threatens or may threaten compliance with the requirements of MSDH and the Service Agreement. All such notifications shall be in writing and hand delivered to the City unless otherwise directed by the City.

(c) The Contractor shall generate, file and provide to the City all information, notices and reports, including sampling and testing results.

3.19 Prohibition Against Use of Facilities for Other Business Purposes

The Contractor shall not use the Facilities to conduct any business other than services required under this Service Agreement without the prior written consent of the City.

3.20 Chemicals

During the term of this Service Agreement, the Contractor shall be responsible for the procurement and payment of all chemicals.

3.21 Supplies

During the term of this Service Agreement, the Contractor shall be responsible for the procurement and payment of all supplies as necessary for plant operation and maintenance including fuels, housekeeping items such as landscaping supplies and janitorial supplies.

3.22 Vehicles

During the term of this Service Agreement, the Contractor shall be responsible for the procurement, maintenance and payment of all vehicles as necessary for plant operations, management and maintenance.

The City owned off road vehicles (such as tractor and mowers) are available to be utilized by the Contractor during the term of this Service Agreement. However, it is solely Contractor's responsibility to maintain, repair and replace such equipment. The Contractor shall hold harmless the City from any loss and expenses arising out of utilization of City's off road vehicles.

3.23 Permits

During the Term of this Service Agreement, the City shall maintain and keep in force and affect all Permits, Licenses, Authorizations, and Easements necessary for the Operations, Management and Maintenance of the Facilities.

ARTICLE FOUR SERVICE FEES

4.01 In General

For all months during the Term, and subject to all the terms and conditions of this Service Agreement, the City shall pay to the Contractor the amount calculated pursuant to Section 4.02 less any applicable penalties, credits, offsets, withholdings and retainage in accordance with the provisions of Sections 4.02 and 4.03.

4.02 Monthly Payment Calculation

(a) Service Fee. The City shall pay the Service Fee to the Contractor, calculated as the sum of the amounts specified in subsections 4.02(b) through 4.02(f).

(b) Fixed Monthly Fee. The Fixed Monthly Fee for a 1st Contract Year shall be one twelfth of the sum of Base Annual Fee and Start-Up Fee as defined by Exhibit C. The Fixed Monthly Fee for the Contract Year 2 and subsequent Contract Year shall be one twelfth of the Base Annual Fee for such Contract Year as set for on, and calculated by Exhibit C for CPI adjustment.

(c) Maintenance and Repair Component. For each Contract Year there shall be a Maintenance and Repair Component of the Annual Fee which shall be used by the Contractor to pay for repair or replacement of equipment that is part of the Facilities and that costs less than twenty five thousand dollars (\$25,000) (for parts and supplies, or fifty thousand dollars (\$50,000) for parts, supplies and labor including only the labor costs for items listed in Exhibit B, if the City has made a Declaration of Emergency. Supplies that may be purchased using the Maintenance and Repair Component include lubricants, paint and degreaser but shall not include housekeeping items such as landscaping supplies, cleaning materials, fuels or other operating supplies. Only such supplies as are related to repair and replacement of equipment are eligible for payment under the Maintenance and Repair Component. Supplies and equipment that are part of normal on-going plant operations and maintenance are not reimbursable and are covered under the Annual Fee.

As part of the Contractor's monthly invoice, the Contractor shall: (i) include the amount that the Contractor spent from the Maintenance and Repair Component for the previous month; and (ii) provide the City with a monthly accounting of what replacement and repair parts and supplies have been purchased from the Maintenance and Repair Component since the previous invoice, the total amount spent from the beginning of the Contract Year to the date of the invoice and the amount that remains unspent of the Maintenance and Repair Component for such Contract Year. Additionally, the Contractor will project the drawdown of the Maintenance and Repair Component versus the total annual amount of the Maintenance and Repair Component, and if it appears from such calculations that the Maintenance and Repair Component will be insufficient to last the remainder of the Contract Year, the City and the Contractor shall agree on a course of action to prevent that fund exhaustion.

(d) Discretionary Replacements or Improvements. For Discretionary Replacements or Improvements, the City may pay the cost of the Discretionary Replacements or Improvements, as approved by the City in a Memorandum of Understanding between the City and the Contractor.

(e) Removal of Force Majeure. The City shall pay the Contractor the cost for removal of the Force Majeure (or in the case of a Change in Law, compliance with the

changed law) as approved by the City and set forth in the Memorandum of Understanding between the City and the Contractor.

(f) Withholding. The City may withhold some or all of the Service Fee payment as follows:

- (i) Withhold from payment any fines or other costs imposed on the City by agencies or courts of proper jurisdiction for violations of the water quality performance standards or applicable law in accordance with Section 4.03.
- (ii) After 270 days from the Commencement Date, retain the entire Fixed Monthly Fee for each and every month that the CMMS is not fully operational. Such amounts shall be released without interest when the CMMS is fully operational in accordance with the requirements of Exhibit B, including, without limitation, the data link to the City.
- (iii) Retain up to 10 percent of the Fixed Monthly Fee if the Contractor has not (i) corrected deficiencies identified through the required preventive maintenance program and/or the City's facility and equipment audits; or (ii) failed to provide cost justification as required in Section 4.04 or failed to meet performance requirements as described in Exhibit B. Such amount shall be released without payment of any interest upon the City's determination that the deficiency has been satisfactorily resolved or corrected.
- (iv) Withhold payment of all or a portion of the Fixed Monthly Fee if the Contractor fails to make the submittals and/or meet the timeframes required pursuant to Exhibit B. Such amounts shall be released without payment of interest when the Contractor completes the required submittals.
- (v) Withhold payment of all or a portion of stipulated penalties listed in Exhibit B for failure to meet performance criteria as set forth in Exhibit B.

4.03 Regulatory Fees, Fines, Administrative Actions, Notices of Violations and Lawsuits

Fees imposed by MSDH and/or DEQ such as permit fees or inspection fees, shall be paid by the City. Any fines imposed by MSDH, DEQ, EPA, or any other state or federal agency for violations of applicable drinking water regulations shall be paid by the Contractor. Additionally, the Contractor shall pay the costs of performing work included in administrative orders or notices of violation that were the result of the fault or actions of the Contractor.

In the event the Contractor believes the regulatory fine is unjustified because the event was caused by a Force Majeure or other reason, it is the Contractor's responsibility to contest the regulatory fine at its own expense.

4.04 Invoices; Method of Payment

(a) The Contractor shall invoice the City for payment on or after the end of the month for which payment is requested. Each invoice shall include documentation sufficient to justify the payment by the City to the Contractor.

(b) Payment of Service Fees accrued during a given calendar month shall be tendered to the Contractor in accordance with the City's normal payment process procedures within 45 days from the receipt of administrative correct invoice.

(c) If the City disputes any item in an invoice the Contractor submits for any reason, including lack of supporting documentation or data, the City shall temporarily delete the amount of the disputed item and pay the remainder of the invoice. The City shall promptly notify the Contractor of the disputed items and request resubmittal.

ARTICLE FIVE INDEMNIFICATION AND LIMITATION OF LIABILITY

5.01 Indemnification

The Contractor agrees to release, defend, indemnify and save harmless the City, its Officers, Employees (collectively "City Indemnified Parties"), from and against any and all loss of or damage to property, injuries to or death of any person or persons and/or all claims, damages, suits, costs, expenses, liability, actions or proceedings of any kind or nature whatsoever, including, without limitation, Worker's Compensation claims of or by anyone whomever, in any way resulting from or arising out of the Contractor's negligent acts, intentional tort, operations, errors and/or omissions, breach of contract, Deceptive Trade Practice, strict liability or any other theory of Law and Equity under or in connection with this Agreement, or the Contractor's use and occupancy of any portion of the facilities, including, without limitation, negligent acts, intentional torts, operations, errors and/or omissions of the Contractor's officers, employees, representatives, suppliers, invitees, contractors, subcontractors or agents. The Contractor shall promptly advise the City in writing, of any action, administrative or legal proceeding or investigation as to which this indemnification may apply and the Contractor, at its expense, shall assume the defense of the City Indemnified Parties, with counsel satisfactory to the City, provided, however, the Contractor need not release, defend, indemnify or save harmless the City Indemnified

Parties, from damages or injuries resulting from the negligence of the City Indemnified Parties. It is understood that this indemnity and hold harmless provision is not limited by the insurance required under the provisions hereof. This Section 5.01 shall survive the expiration of this Service Agreement.

5.02 Indemnification - Patent, Copyright, Trademark, and Trade Secret Infringement

The Contractor agrees to and shall defend, indemnify, and hold harmless the City Indemnified Parties from all claims or causes of action brought against the City alleging that the City's use of any equipment, software, process, or documents that the Contractor furnishes during the Term of this Service Agreement infringes on a patent, copyright, or trademark, or misappropriates a trade secret. The Contractor shall pay all costs (including, without limitation, attorneys' fees, court costs, and all other defense costs, and interest) and damages awarded. The Contractor shall not settle any claim on terms which prevents the City from using the equipment, software, process, and documents without the City's prior written consent. Within sixty (60) days after being notified of the claim, the Contractor shall, at its own expense, either: (1) obtain for the City the right to continue using the equipment, software, process, and documents; or (2) if both the City and the Contractor agree, replace or modify the equipment, software, process, or documents with compatible and functionally equivalent products. If none of these alternatives is reasonably available, the City may return the equipment, software, or documents, or discontinue the process, and the Contractor shall refund the purchase price to the City. This Section 5.02 shall survive the expiration of this Service Agreement.

5.03 Limitation of Liability

The Contractor's liability for performance or non-performance of obligations arising under the Service Agreement (whether arising under breach of contract, deceptive trade practice, tort, strict liability or any other theory of law or equity) including, but not limited to, liquidated damages, shall not be limited to the duration of the Service Agreement in accordance with laws of the State of Mississippi.

ARTICLE SIX INSURANCE, PERFORMANCE BOND

6.01 Insurance

During the Term of this Service Agreement, the Contractor shall obtain and maintain the insurance coverage as set forth in Exhibit D.

6.02 Performance Bond

Simultaneously with the delivery of the executed Service Agreement, the Contractor shall deliver to the City an executed Performance Bond in the amount of the Annual Fee (insert the annual fee here). The form of the Performance Bond shall be substantially in the form of Exhibit E, and the corporate surety executing the bond shall be subject to review by the City prior to acceptance of the Performance Bond by the City. The Performance Bond shall be maintained in full force and effect during the Term of this Service Agreement. Failure to maintain the Performance Bond shall be an Event of Default.

ARTICLE SEVEN TERM, DEFAULT AND TERMINATION

7.01 Term and Renewal Provisions

(a) The term of this Service Agreement shall commence on the Commencement Date and shall end ten(10) years later on _____, 2026 ("Term") unless terminated sooner in accordance with its terms and subject to extension as provided below.

(b) Nine months prior to the end of the Term, and any extension thereof, the Contractor shall notify the Mayor of Vicksburg, the Chief Administrative Officer of the City and the Public Works Director of the City by certified mail that the contract Term is scheduled to end in nine months. On or before six months prior to the end of the Term, the City, at its sole discretion, may provide to the Contractor a written request to extend the Term of this Service Agreement for one year. The extension of the Term of this Service Agreement shall be considered an amendment to this Agreement and shall not become effective unless approved as provided in Section 8.03.

7.02 Default and Termination

(a) An event of default by the City ("City Event of Default") shall occur if the City fails to perform or observe any of the material terms and conditions of this Service Agreement required to be performed or observed by the City. Should such City Event of Default occur, the Contractor shall have the right to terminate all or part of its duties under this Service Agreement as of the 30th day following the receipt by the City of a notice from the Contractor describing such City Event of Default and intended termination, provided: (i) such termination shall be ineffective if within said 30-day period the City cures said default and (ii) such termination may be stayed, at the sole option of the Contractor pending cure of said default.

(b) The City may terminate this Service Agreement for an event of default by the Contractor ("Contractor Event of Default") if:

- (i) The Contractor fails to review, perform or observe, except as set forth in subsection (ii) hereof, any of the material terms or conditions of this Service Agreement required to be performed or observed by it and such failure continues for a period of thirty (30) days after notice from the City informing the Contractor of the nature of the non-performance and of the intent of the City to terminate this Service Agreement due to a Contractor Event of Default; provided, however, the City may stay or cancel any such termination notice at its sole discretion.
- (ii) (1) The Contractor's being or becoming insolvent or bankrupt or ceasing to pay its debts as they mature or making an arrangement with or for the benefit of its creditors or consenting to or acquiescing in the appointment of a receiver, trustee or liquidator for a substantial part of its property, or (2) a bankruptcy, winding up, reorganization, insolvency, arrangement or similar proceeding instituted by or against the Contractor under the laws of any jurisdiction, which proceeding has not been dismissed within sixty (60) days, or (3) any action or answer by the Contractor approving of, consenting to, or acquiescing in, any such proceeding, or (4) the levy of any distress, execution or attachment upon the property of the Contractor which shall substantially interfere with its performance hereunder.
- (c) The City shall have the right to terminate this Service Agreement for City's convenience upon ninety (90) days written notice to the Contractor.

7.03 Termination for Force Majeure

If a Force Majeure shall occur relative to a material obligation of the Contractor under this Service Agreement, and such Force Majeure or the effect thereof, prevents performance of such material obligation for a period of thirty (30) days, the City, upon five (5) days' notice to the Contractor, may, at its sole discretion, terminate this Service Agreement forthwith without payment or penalty, notwithstanding that such Force Majeure could be cured by the City's actions, which the City determines, in its sole discretion, not to procure or implement.

ARTICLE EIGHT GENERAL PROVISIONS

8.01 Applicable Laws; Venue

This Service Agreement is subject to Federal Laws of the United States of America and the laws of the State of Mississippi. The applicable venue for any disputes shall be the

appropriate state court located in the City of Vicksburg, Mississippi. The contractor irrevocably submits to the jurisdiction of the State Court of Mississippi.

8.02 Notices

All notices required or permitted hereunder unless otherwise specified herein, shall be in writing (unless another medium is expressly authorized herein) and shall be deemed delivered upon the earlier of the following: (i) the day when actually received; or (ii) the third business day following deposit in a United States Postal Service post office or receptacle with proper postage affixed (certified mail, return receipt requested) and addressed to the respective other Party or Parties at the address' set forth below or such other address as the receiving Party may have theretofore designated by notice to the other Parties.

If to the City:

Mayor
The City of Vicksburg
P.O. Box 150
1413 Walnut St.
Vicksburg, Mississippi 39180

Director of Public Works
The City of Vicksburg
P.O. Box 150
1413 Walnut St.
Vicksburg, Mississippi 39180

City Attorney
The City of Vicksburg
P.O. Box 150
1413 Walnut St.
Vicksburg, Mississippi 39180

City Clerk
The City of Vicksburg
P.O. Box 150
1413 Walnut St.
Vicksburg, Mississippi 39180

If to the Contractor:

8.03 Amendments

This Agreement may be amended, modified or extended only by written agreement duly authorized by the City and the Contractor and executed by their authorized representatives. Each amendment shall be consecutively numbered.

8.04 Audits, Inspections and Enforcement

The City and its representatives or consultants shall have the right to perform, or cause to be performed, (1) audits of the books and records of the Contractor for the costs for Maintenance and Repair, Major Repair, Discretionary Replacement or Improvement and Removal of a Force Majeure, and (2) inspections of all places where work is undertaken in connection with this Service Agreement. The Contractor shall be required to keep all documents and records available for such purpose for the Term of Service Agreement plus at least 3 years after the ceasing of its performance under this Service Agreement. Nothing in this provision shall affect the time for bringing a cause of action nor the applicable statute of limitations.

The City and its representatives or Consultants shall have the right to perform or cause to be performed audits to verify the compliance of the Contractor with the terms of this Service Agreement including without limitation the CMMS.

The City shall have the right to enforce all legal rights and obligations under this Service Agreement without further authorization.

The Contractor covenants to provide to the City all documents and records that the City deems necessary to assist in determining the Contractor's compliance with this Service Agreement.

8.05 Assignment

This Service Agreement is for the sole and exclusive benefit of the Parties and is not intended to confer any rights or benefits upon any third party. The Contractor shall not assign this Service Agreement at law or otherwise or dispose of all or substantially all of its assets without the prior written consent of the City.

The Contractor shall not delegate any portion of its performance under this Service Agreement without the prior written consent of the City.

Failure of Contractor to obtain from the City prior written consent to the assignment of this Service Agreement shall be an event of default, and the City may immediately terminate this Service Agreement.

8.06 Independent Contractor

The Contractor is engaged as an independent contractor, and all of the services provided for herein shall be accomplished by the Contractor in such capacity. The City or agents of the City will have no control or supervisory powers as to the detailed manner or

method of the Contractors' performance of the subject matter of this Service Agreement. All personnel supplied or used by the Contractor shall be deemed employees or subcontractors of the Contractor and will not be considered employees, agents or subcontractors of the City for any purpose whatsoever. The Contractor shall be solely responsible for the compensation of all such personnel, for the withholding of income, social security and other payroll taxes and for the coverage of all worker's compensation benefits.

8.07 Drug Detection and Deterrence

The Contractor shall develop, implement and comply with a drug detection and deterrence plan for Public Utilities of all State and Local Agencies and Laws. A copy of such plan, and any updates, shall be supplied by the Contractor to the City for review and approval.

8.08 Merger; Entire Contract; Authority

This Service Agreement contains the entire and integrated Service Agreement between the City and the Contractor and supersedes all prior negotiations, representations and agreements, whether written or oral. This Service Agreement may be amended only by written instrument duly executed by the City of Vicksburg on behalf of the City (by authority of an agenda item duly adopted by the City Council) and the Contractor. The City is only authorized to perform the functions specifically delegated to him/her in this Service Agreement.

8.09 Survival

Notwithstanding the City's acceptance of operations, management and maintenance services and payment of any charges or purchase price therefore, and notwithstanding the expiration of the Term, the Contractor shall remain obligated under all clauses of this Service Agreement which expressly or by their nature extend beyond and survive such acceptance and payment.

8.10 Force Majeure

Timely performance by the Parties is essential to this Service Agreement. However, the Parties will be liable for delays or other failure to perform its obligations pursuant to this Service Agreement to the extent such delay or such failure is not caused by an event of Force Majeure, provided such relief shall not be applicable unless: (a) promptly upon the occurrence of a Force Majeure, the Party or Parties whose performance is delayed or made impossible thereby shall provide the other Parties with written notice of the cause and extent thereof; and (b) within seven (7) calendar days of the cessation of the Force Majeure, the Party or Parties whose performance was affected shall provide the other Parties with written notice describing the actual delay or non-performance incurred.

The Contractor's adherence to this Section 8.10 excuses either nonperformance or delay only. Force Majeure does not entitle the Contractor to extra compensation, except as provided elsewhere in this Service Agreement.

8.11 Non-Waiver

Failure of the City to insist upon strict performance of any of the terms and conditions hereof, or failure or delay to exercise any rights or remedies provided herein or by law, or failure of the City to notify the Contractor properly in the event of default, or the acceptance of or payment for operations, management and maintenance service or review of or approval of any plans or specifications shall not release the Contractor from any of the obligations of this Service Agreement, and shall not be deemed a waiver of any right of the City to insist upon strict performance hereof or any of its rights or remedies to a prior or subsequent default hereunder.

8.12 Operations of Contractor

This Section shall apply to operations of Contractor pursuant to this Service Agreement on premises owned or controlled by the City. The Contractor shall not make any structural modifications to such premises, nor shall the Contractor overload any floor or damage any property of the City of Vicksburg in performing its operations.

8.13 Remedies Cumulative

The rights and remedies contained in this Service Agreement shall not be exclusive but shall be cumulative of all rights and remedies now or hereafter existing whether by statute, at law, or in equity; provided however, neither party may terminate its duties under this Service Agreement except in accordance with the provisions hereof.

8.14 Retainage of Intellectual Property Rights

The Contractor hereby grants to the City and any successor Contractor all or part of the Facilities, the irrevocable, royalty-free and unrestricted license and right to use all formulas, processes, know-how, technology, innovations, computer software, trade secrets and other intellectual property developed by the Contractor in connection with the performance of its obligations pursuant to this Service Agreement, both during the Term of this Service Agreement and after its expiration or termination; provided, however, the City may not sell, license, transfer or formally authorize any other Person, other than a successor Contractor as provided above, to use such intellectual property, but the City and its employees and representatives may discuss, publish or otherwise freely and publicly communicate information concerning such intellectual property.

Upon the termination or, as applicable, expiration of this Service Agreement, the Contractor shall provide the City, free of charge, with the software, hardware, computer maintenance program, system and source code established by, or for the use of, the

Contractor, as such program, system and source code was installed, upgraded or revised, together with any applicable licenses (to the extent the City is not a co-licensee), effective as of such termination or expiration date, for use by the City and its agents, contractors and/or successors solely in connection with the operations, management and maintenance of the Facilities. Said parties shall not otherwise use, sell or license such software. The City shall be responsible for maintaining any third party license after such termination or expiration. The Contractor shall ensure that in no event shall any payments to be made by the City to third party licensors relating to such items exceed the periodic cost for same as would be obtainable in an arm's length transaction by a party obtaining such items from an unaffiliated third party, without any deferral or postponement of any such fees to a later period of such license or agreement, and with substantially uniform payments throughout the term of the agreement. All such contracts must require substantially uniform payments throughout the respective terms, allowing for any regular customary commercial escalation of such payments.

8.15 Retainage of Patented Invention Rights

The Contractor retains exclusive rights to all patented inventions and, subject to Section 8.16, copyrighted materials, developed by the Contractor in connection with the performance of its obligations pursuant to this Service Agreement, provided that the Contractor will, at the expiration or termination of this Service Agreement, grant to the City and any successor Contractor of all or part of the Facilities, a non-exclusive, non-transferable permanent license to use such inventions in the Facilities for an annual fee of one dollar (\$1.00).

8.16 Treatment of Computer Hardware and Software

The costs of all computer hardware and software, including any software license fees, utilized by the Contractor in connection with the performance of its obligations under this Service Agreement, shall be at the sole cost and expense of the Contractor. Any and all portions of any replacement elements of any computerized maintenance management program or system provided by the Contractor, or any computer hardware supporting the same, shall be of a quality equal to or better than the quality of the element(s) replaced, and shall first be approved by the City before implementation.

Immediately upon the earlier to occur of the termination or expiration of this Service Agreement, the Contractor shall provide and deliver to the City, free of charge, possession of and all of its right, title and interest in and to all computer hardware obtained for the specific purpose and utilized by the Contractor in connection with the performance of its obligations hereunder, including but not limited to all such hardware used in connection with the computerized maintenance program. The Contractor shall also deliver and transfer, or arrange for the City to be a co-licensee for, any and all computer software, software licenses, source codes and other similar materials and information used by the

Contractor in preparing or storing the data and information, at no cost to the City other than future license fees payable to third party licensors, immediately upon the earlier to occur of the termination or expiration of this Service Agreement. The hardware, software, software licenses and source codes provided and delivered to the City of Vicksburg pursuant to this Section 8.16 shall be the same as such hardware, software, software licenses and source codes as same shall have been upgraded and revised, together with any applicable licenses, effective as of such termination or expiration date. The Contractor shall ensure that in no event shall any payments to be made by the City to third party licensors relating to such computer software exceed the periodic cost for the same as would be obtainable in an arm's length transaction by a party obtaining such software from an unaffiliated third party, without any deferral or postponement of such fees to a later period of such license or agreement. All such computer hardware and software shall be used by the City and its agents, contractors and/or successors solely in connection with the operations, management and maintenance of the Facilities. Any lease of computer hardware by the Contractor shall provide that such lease can be assigned to the City and upon its assignment; the term of the lease shall automatically be extended for one year with any additional rental payments due during the extension of the term to be paid by the Contractor.

8.17 Data and Information

All data and information collected, generated, prepared, or provided by the Contractor as required by or pursuant to this Service Agreement shall be and remain the property of the City and shall be turned over to the City within ten (10) days after the earlier to occur of the termination or expiration of this Service Agreement; provided, however, the Contractor may retain copies of all such information at its sole cost and expense.

8.18 Representations of the City

The City represents to the Contractor that as of the Contract Date:

(a) The City is duly organized and existing in good standing under the laws of the State of Mississippi and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Service Agreement.

(b) The City has the power, authority and legal right to enter into and perform this Service Agreement and the execution, delivery and performance hereof by the City (i) have been duly authorized, (ii) do not require any other approvals by any other governmental officer or body, other than those permits or approvals that may have to be renewed or reissued during the Term of this Service Agreement, (iii) do not require any consent or referendum of voters, (iv) will not violate any judgment, order, law or regulation applicable to the City, and (v) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the City under any

agreement or instrument to which the City is a party or by which the City or its assets may be bound or affected.

(c) This Service Agreement has been duly entered into by the City and constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms.

(d) To the best of the City's knowledge, there is no action, suit or proceeding, at law or in equity, before or by any court or governmental authority, pending or threatened against the City, wherein an unfavorable decision, ruling or finding would materially adversely affect the performance by the City of its obligations hereunder, or which, in any way, would adversely affect the validity or enforceability of this Service Agreement, or any other agreement or instrument entered into by the City in connection with the transaction contemplated hereby.

8.19 Representations of the Contractor

The Contractor hereby represents to the City that as of the Contract Date:

(a) The Contractor is qualified to do business in the State of Mississippi and is duly qualified to do business wherever necessary to carry on the business and operations, management and maintenance contemplated by this Service Agreement.

(b) The Contractor has the power, authority and legal right to enter into and perform its obligations set forth in this Service Agreement, and the execution, delivery and performance hereof, (i) have been duly authorized, (ii) do not require the approval of any governmental office or body, other than applicable permits or approvals that may have to be renewed or reissued during the term of this Service Agreement, (iii) will not violate any judgment, order, law or regulation applicable to the Contractor or any provisions of the Contractor's articles of incorporation and by-laws, and (iv) do not constitute a default under or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Contractor under any agreement or instrument to which the Contractor is a party or by which the Contractor or its assets may be bound or affected.

(c) There has been no material adverse change in the Contractor's financial condition since the Proposal Date, which would impair the Contractor's ability to perform its obligations under this Service Agreement.

(d) This Service Agreement has been duly entered into and delivered and constitutes a legal, valid and binding obligation of the Contractor, fully enforceable in accordance with its terms.

(e) To the best of Contractor's knowledge, there is no action, suit or proceeding, at law or in equity, before or by any court or governmental authority, pending or, to the best of the Contractor's knowledge, threatened against the Contractor, wherein an unfavorable decision, ruling or finding would materially adversely affect the performance by the Contractor of its obligations hereunder, or which, in any way, would adversely affect

the validity or enforceability of this Service Agreement, or any other agreement or instrument entered into by the Contractor in connection with the transaction contemplated hereby.

IN WITNESS WHEREOF, the Parties hereto have entered into this Service Agreement as of the date first written above.

Owner: City of Vicksburg, Mississippi

Contractor

Honorable George Flaggs, Jr. Mayor:

Date:_____

Attest:

Date:_____

Attest:

Exhibit A

The Facilities

1. Project Overview

The subsections below describe the facilities owned or leased by the City that the Contractor is to operate, manage and maintain. The project includes operations, management and maintenance of City of Vicksburg Water Treatment Plant facilities, well field, underground storage tank, four elevated water storage tanks, and one booster pump station which pumps water from Openwood tank to Porters Chapel tank. The project also includes responsibility for collecting and testing samples at various locations in the distribution system and coordination of some sampling activities with the Bureau of Public Water Supply of Mississippi State Department of Health.

The City of Vicksburg Water Treatment Plant is located on the Vicksburg industrial harbor park, 601 Haining Rd, Vicksburg, Mississippi, 39183. It was constructed 1969 using ground water as raw source water. The plant has 17 raw water wells currently in service having a capacity of approximately 26 million gallons per day. Three wells are to be closed by MSDH. The plant treatment facilities include aerators, softening units, filtration units and storage tanks.

The plant is equipped with five high service pumps that send the water into the city mains. Two of these pumps have 700 horsepower; two have 350 horsepower; and one has 200 horsepower. They are operated electrically. Equipment also includes a 1,250 kilowatt emergency standby generator which provides emergency in order to operate the entire water treatment plant in the event of the loss of commercial electrical power.

The plant is undergoing Electrical and Structural Inspection by a professional engineering firm. Upon inspection results, the City may renovate and upgrade the plant operation condition during the Term of the Service Agreement. The required responsibilities for the Contractor shall be the operations, management and maintenance of all the existing Facilities in their current state and during renovation and/or upgrade, and upon completion of renovation and upgrade.

2. Operations, Management and Maintenance of Existing Facilities

The proposer shall be required to operate, manage and maintain the facilities listed in this section including any upgrades or rehabilitation as described in Section 3 below.

Two of filter controls currently requires two operation and/or maintenance staff to backwash a filter. The Contractor is required to operate, manage and maintain the Facility “as is” until the plant is upgraded by the City.

The plant inspection performed by City’s service provider for procurement of this RFP, CDM Smith, Inc., is provided as **Appendix A** of this RFP as solely a reference for plant condition review. The Contractor is required to inspect the plant to understand the plant existing condition

and identify the critical aspects of operating, managing and maintaining the Facilities. The plant record drawings are provided as **Appendix B** of this RFP for informational purposes only. The record drawings do not reflect the plant current condition.

2.1 Water Treatment Plant

The plant treatment process diagram is provided as **Figure A-1**. The Contractor shall be responsible for the operations, management and maintenance of all equipment including but not limited to the followings:

- 17 Active Water Wells, 3 Retired Water Wells, and Well Field
- 2 Coke Tray type Aerators
- 2 10 MGD lime softening clarifiers
- 2 Lime Storage Silos and one Lime Sludge Holding Tank and Thickener Tanks
- Dual Media Filters (8)
- Carbon Dioxide Storage and Feed System
- Fluoride Storage and Feed Area
- Sodium Hypochlorite Pump Room
- 4.7 MG underground storage tank and unenclosed 5 high service pumps in Pump Room
- Four Elevated Water Storage Tanks
- One Booster pump station located on Martin Luther King Jr Blvd which pumps water from Openwood Elevated Storage Tank to Porters Chapel Elevated Storage Tank.
- Check valve for operation of Airport Elevated Storage Tank

Note that for grounds maintenance, a City owned tractor and mowing equipment are dedicated to the water plant and may be used by the Proposer for grounds maintenance purposes. The City will require a hold harmless agreement for acceptance and use of this equipment. Proposer is responsible for maintaining and replacing this equipment upon its retirement or reassignment.

The treatment plant flow diagram is as shown provided in **Figure A-1**.

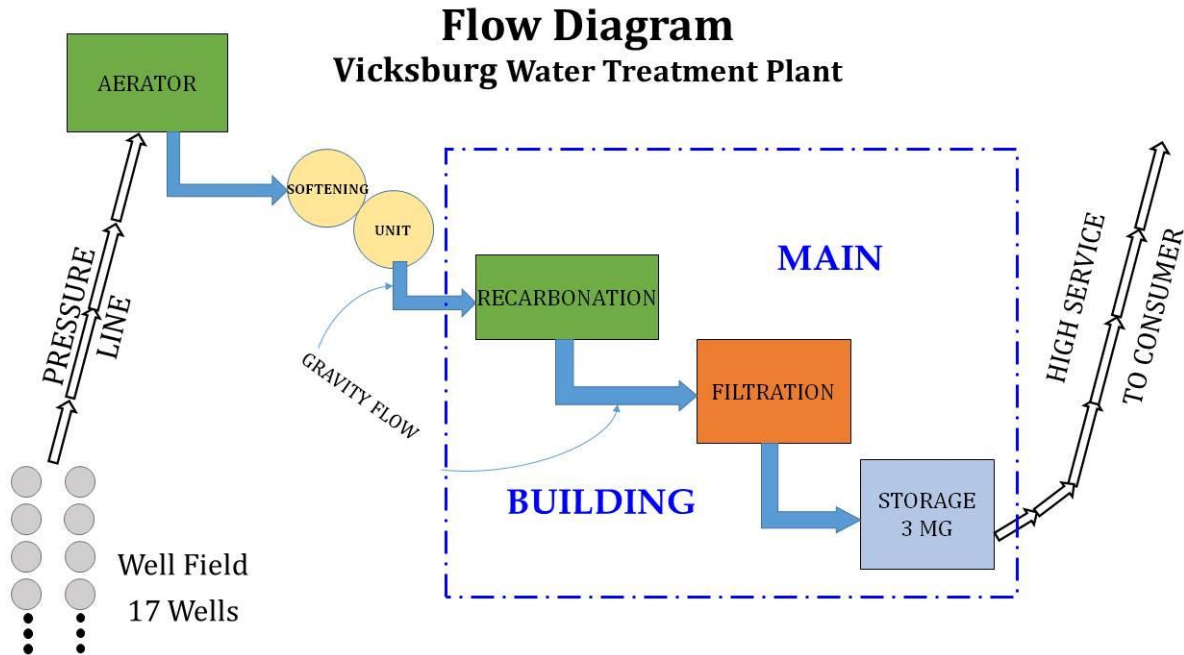


Figure A-1
Flow Diagram for Vicksburg Water Treatment Plant

2.2 Kings Point Road Well Field

The Contractor shall be responsible for operations, management and maintenance of all equipment and grounds of the well system. Three wells are to be closed by MSDH. Contractor is responsible to cap these wells and remove the equipment. The site location of well field map is provided as **Appendix C** of this RFP.

The well numbering for wells which are currently in service is listed in **Table A-1** below.

Table A-1
Active Well Numbering

City Number	MSDH Number
1	750010- 21
2	750010- 20
3	750010- 13
4	750010- 14
5	750010- 05
6	750010- 15
7	750010- 07
8	750010- 18
9	750010- 19
11	750010- 16
12	750010- 17
13	750010- 22
14	750010- 23
15	750010- 24
16	750010- 25
17	750010- 26
18	750010- 27

2.3 Elevated and Ground Storage Tanks

A brief description of size and location of each tank to be operated and maintained by the Contractor is listed in **Table A-2**. The site location map of all tanks is provided as **Appendix C** of this RFP. All equipment and grounds shown in these figures shall be operated, managed and maintained by Contractor with the exception of antennas or towers not owned by the City. Storage tank maintenance requirements shall be as further defined in Exhibit B.

Table A-2
Elevated and Ground Storage Tanks

Tank Name	Address	Material	Year erected	Capacity (MG)	Min WL	Max WL	Height
Jackson Rd	2185 MLK Jr Dr	Steel	1948	0.1	20 ft	35 ft	121 feet
Porters Chapel	3787 Porters Chapel Rd	Steel	1964	0.5	18 ft	35 ft	117 feet
Openwood, (Kuhn Hospital)	1536 MLK Fr Dr	Steel	1964	0.5	18 ft	35 ft	131 feet
Airport	321 Hullum Rd	Steel	1982	0.5	22 Ft	25 ft	91.5 feet

3. Facilities Improvements

The City of Vicksburg reserves the right to improve the plant operational condition during the Term of Service Agreement without negative impact of plant operations and maintenance.

Note that the repair and upgrade one of the main clarifiers will be underway starting in late January 2016 and continuing into the summer. This project may not be completed when the O&M contractor is issued a notice to proceed. Therefore, it is incumbent on the new O&M Contractor to coordinate with this work and to accept the completed project as part of the water plant equipment for continued operation and maintenance at no extra cost to the contract.

In the event that there are any renovations or modifications in the future that substantially change the level of effort required to operate, manage and maintain the plant, the Contractor may petition for a contract change to adjust the annual cost to account for additional services. In the event that the renovations or modifications reduce the level of effort required by the contractor, the City may request a reduction in annual cost to fairly account for reduced operating costs by the Contractor. Contractor shall negotiate in good faith toward a fair and reasonable adjustment to the Annual Fee in the event significant upgrades or renovations are implemented at the Plant by the City.

Exhibit B

Scope of Service

1. General Requirements

In this Exhibit B, all references to “Sections”, refers to the sections in this **Exhibit B** and all references to “Schedules” refers to the schedules attached to this **Exhibit B**.

The Contractor shall , operate, manage and maintain the Facilities and ensure the ability to treat up to the design capacity of the Facilities of 16 MGD as provided in Schedule 1 in compliance with all applicable laws, rule, regulations and permits. As described below, the Contractor shall be responsible for all aspects of the operations, management and maintenance, including providing all labor, supplies, materials and vehicles.

The contractor shall also be responsible for all utilities. Operations, management and maintenance of the Facilities include the processing of all residuals including water treatment sludge generated by the Facilities. The Contractor is responsible for all sampling within the distribution system and delivering the samples to the Bureau of Public Water Supply of MSDH. As indicated in Exhibit B, the contractor is required to deliver a required number of the samples to the Bureau of Public Water Supply of MSDH. All compliance testing shall be performed by a laboratory that has been certified by the MSDH and the City to perform that analysis. The Contractor shall sign, as the operator of the Facilities, all reports and submittals required by regulatory agencies. The base treated water flow for each Facility included in this scope of service is summarized in Schedule 1. The amount of treated water produced by the Contractor shall be determined by the flow meter at each Facility.

The Contractor shall notify the MSDH and the City as soon as possible if there is abnormal occurrences of water color, odor, or taste; failure to appropriately disinfect; service interruptions; actions that necessitate the issuance “Precautionary Boil Water Notices”; switch between chloramines and free chlorine.

The Contractor shall staff the Facilities according to the staffing plan contained in Schedule 8. Any changes in the staffing plan in Schedule 8 must be requested by the Contractor and approved by the City. The Water Treatment Plant shall be staffed by a Class A certified operator at all times (24 hours a day). Any requirements included in the Request for Proposal document but not specifically listed in the Contract are also binding within the Contract and are the responsibility of the Contractor to perform as specified. The Contractor shall provide job related training for its personnel in the areas including, but not limited to, water system operations, quality, maintenance, safety, sampling, laboratory, and emergency response on annual bases.

2. Performance Standards

The contractor shall operate the water treatment plant in a manner that the water level for all elevated storage tanks is above the bottom of the bowls. During the operating period when the well system is in service, the wells shall be operated so as to maintain the water elevation in elevated storage tank at a minimum required level for each tank as described in Exhibit A.

2.1 Water Treatment Requirements

All analytical methods used to demonstrate compliance shall be according to approved methods by Bureau of Public Water Supply of MSDH and acceptable to the City. In the event that a particular parameter does not have a method approved by MSDH, methods currently approved by EPA, and acceptable to the City, shall be used. Within thirty (30) days of contract award, the Contractor shall submit to the City, a list of analytical methods to be used to conduct the analysis required. The City will review and indicate any required modifications. All sampling points must have prior approval by the City.

The Contractor shall operate, manage and maintain in such a manner that the Water Treatment Plant and well systems will produce treated water that is in compliance with all drinking water regulations, including primary and secondary MCLs, promulgated by the EPA and MSDH as of the Contract Commencement date. In addition, the water treatment system is required to produce treated water that is in compliance with anticipated regulations that are known or reasonably expected to be forthcoming within the industry.

2.2 Sampling and Analysis

The Contractor shall be responsible for all sampling and analysis as described below:

- 2.2.1. The Contractor will ensure performance of all sampling, analysis and record keeping required by USEPA, the MSDH, and the City and any other governmental regulatory agency. The Contractor will be responsible for all monitoring, up to and including the point of entry into the distribution system. USEPA and MSDH approved laboratory procedures will be followed.
- 2.2.2. For any analytical laboratory work performed at an outside or offsite certified laboratory, the use of that laboratory must be approved by the City.
- 2.2.3. The Contractor will be responsible for compliance with all currently effective monitoring requirements as well as those that become effective during the Term of the Service Agreement, but not limited to, Ground Water Rule and the Stage 2 Disinfectants/Disinfection Byproducts Rule. Contractor will be responsible for all labor costs associated with all compliance monitoring, which should be reflected in the Annual Service Fee.
- 2.2.4. The Contractor is responsible for all costs associated with the sampling, analysis, report completion and submission to the City by the 10th day of the month following the reporting period.
- 2.2.5. Lead and Copper Rule compliance monitoring includes bi-weekly monitoring and reporting of the following Water Quality Parameters at the point of entry into the distribution system. The lead and copper rule related water quality parameter report is to be completed and submitted to the City by the 10th day of the month following the quarterly reporting period. These analysis include:
 - a. Alkalinity as CaCO_3
 - b. pH

- c. Calcium as Ca
- d. Conductivity
- e. Temperature

2.2.6. Process control monitoring will be performed by the Contractor at a minimum of the following grab sample tests and frequencies as indicated In **Table B-1**. These parameters will be included in the a daily report to the City and transmitted via an acceptable electronic mail format to the City once per day, Monday through Friday, and once per day on Saturday and Sunday and holidays. At a minimum process control sampling and testing shall be performed by the Contractor at the frequencies indicated in **Table B-1**.

Table B-1
Minimum Process Control Testing Requirements

<i>Parameter/Location</i>	<i>Frequency</i>
1. pH	Once/day
A. Raw	
2. Turbidity:	Once/day
A. Raw	
B. Settled	
3. Alkalinity	Daily
A. Raw	
B. Clearwell Prior to Distribution	
4. Jar Tests to establish required ACH and Polymer dosages.	Daily
5. Total Odor Threshold (TON)	Weekly
A. Raw	
6. Hardness	Daily
A. Raw	
B. Clearwell Prior to Distribution	
7. True Color	Daily
A. Raw	
8. Chlorine Residual – Free and Total	3 times/day
A. Raw	
B. Filtered	
9. Manganese	Daily
A. Raw	
B. Settled	
C. Filtered	

2.3 Other Performance Standards

In addition, the Contractor shall be responsible for meeting the following performance standards:

- 2.3.1 Performing all of the Contractor's obligations as set forth in this Exhibit B of the Service Agreement;

- 2.3.2 Performing all the preventive maintenance recommended by the manufacturers of the equipment at the frequency that the manufacturers recommend;
- 2.3.3 Performing all corrective and/or predictive maintenance to conform to the equipment manufacturer's specifications;
- 2.3.4 Installing and fully implementing computerized maintenance management system (CMMS) within eight (8) months of the Commencement Date;
- 2.3.5 Correcting within thirty (30) days any deficiencies identified through the required preventive and predictive maintenance program or the City's facilities and equipment audits. If it is not possible to rectify a particular deficiency within thirty (30) days, then the Contractor shall provide the City with a written plan for completing the work;
- 2.3.6 Processing and managing treatment plant residuals in conformance with Section 3.4 of this Exhibit B and with all applicable local, state and federal requirements;
- 2.3.7 Developing and Implementing or Updating and administering the Risk Management Plan for each Facility;
- 2.3.8 Developing and Implementing or Updating and administering the provisions of the Process Safety Management Plan for each Facility.

3. Description of Contractor Operations Management and Maintenance Responsibilities

The Contractor shall operate, manage and maintain the Facilities in accordance with all applicable laws, rules and regulations, the Scope of Services as set forth in this Exhibit B and Schedules 1 through 10 of this Exhibit B, and the Service Agreement. The Contractor shall provide all necessary corrective, preventive and predictive maintenance at the Facilities. The Contractor shall perform all of the preventive maintenance recommended by the manufacturer of the equipment at the frequency that the manufacturer recommends.

The Contractor shall understand that the smooth operation of the water system is a cooperative effort with the City and it shall provide the City a checklist for routine monitoring, observing, inspecting, and maintaining the system.

The Contractor accepts without limitation the Facilities in "as is" condition. During the Term of the Service Agreement, the Contractor shall be responsible for the operations, management and maintenance of the Facilities. This will include providing the staff and materials necessary to ensure that the Facilities are capable of and can treat up to the design capacity 365 days per year.

3.1 Transition and Start Up Tasks

The Contractor shall complete the following transition and start up tasks. These transition and start up tasks are intended to ensure that the Contractor is fully able to commence

operations, management and maintenance of the Facilities on June 25, 2016 and to meet all obligations included in this Exhibit B in a timely manner. Where the obligations identified in this Exhibit B require the approval of the City, that approval will not be unreasonably withheld. This shall include:

- 3.1.1 Coordinating the transition of City's employees to contractor's staff within sixty (60) days of the Commencement Date;
- 3.1.2 Recruiting qualified staff to fill all other positions required by the Contractor's staffing plan;
- 3.1.3 Monitoring operations of the Facilities for at least seven (7) days on multiple shifts prior to assuming operational responsibility;
- 3.1.4 Developing and implementing a computerized maintenance management system (CMMS) incorporating the specifications and requirements described in Section 3.3 below. The preventive maintenance tasks and schedule for the CMMS for each piece of equipment shall be completed within six (6) months of the Commencement Date and available for review and approval by the City. The CMMS shall be fully implemented and capable of tracking and documenting all preventive and corrective maintenance within eight (8) months of the Commencement Date;
- 3.1.5 Preparing within one hundred twenty (120) days of the Commencement Date and obtaining the City's approval within one hundred eighty (180) days of the Commencement Date, a Management Oversight and Quality Control and Quality Assurance (QC/QA) Plan that clearly identifies how the Contractor will ensure that all aspects of this agreement including reporting requirements are fulfilled;
- 3.1.6 Preparing within one hundred twenty (120) days of the Commencement Date and obtaining the City's approval within one hundred eighty (180) days of the Commencement Date, an Emergency Operating Plan for the Facilities that addresses, among other emergencies, procedures for responding to fires, floods, tornadoes and loss of electric power;
- 3.1.7 Preparing and submitting to the City within one hundred eighty (180) days of the Commencement Date a Safety Program and Plan that identifies measures that will be taken to ensure compliance with OSHA safety regulations as well as all other safety requirements. The plan shall include how safety training will be provided and a safe work environment maintained. The Contractor shall implement OSHA safety program within one year of the Commencement Date. The Contractor shall be responsible for all costs associated with implementing OSHA Regulated the Safety Plan, including chemicals and any new equipment that the Plan may require. The Contractor shall include an Arc Flash study under this section and implement any resulting safety procedures;

- 3.1.8 Conducting with a representative of the City, within thirty (30) days of the Commencement Date, an inventory and certifying to the City the quantities of materials, supplies, fuel and other consumables on site;
- 3.1.9 Conducting with a representative of the City, within thirty (30) days of the Commencement Date, an inventory of all spare parts, operating supplies, materials, chemicals, laboratory supplies, equipment, tools, furniture and vehicles on site and certifying this Initial Inventory by signing jointly a schedule of all items in such inventory (City inventory tagging system to be followed);
- 3.1.10 Submitting to the City, within the first seven (7) days of the Commencement Date, a copy of the company's Drug Detection and Deterrence Plan;
- 3.1.11 Conducting with a representative of the City, within thirty (30) days of the Commencement Date, an inspection of the Facilities to identify any hazardous wastes and to properly label and, where necessary, store any hazardous wastes found. The City will make arrangements for the proper removal and disposal of the hazardous wastes and completion of all documentation required as the owner and generator of the hazardous wastes.

3.2 Operation

The Contractor shall operate, manage and maintain the Facilities to ensure that they can treat up to the design capacity each day. The Facilities shall be operated in accordance with the Service Agreement and this Exhibit B along with Schedules 1 through 10.

Operational decision making will reflect the following minimum objectives:

- Protecting public health and welfare;
- Protecting the health and safety of the operating staff;
- Complying with all applicable laws, rules, regulations and ordinances, including without limitation, city, state, and federal drinking water quality and requirements and safety requirements;
- Protecting the environment; and
- Protecting and preserving the Facilities.

The Contractor shall develop and implement procedures to ensure attainment of these goals, including going beyond the minimum requirements set forth in the Service Agreement. The Contractor shall comply with the performance requirements for each Facility as set forth in the Service Agreement. The Contractor's responsibilities shall include, but are not necessarily limited to:

- 3.2.1 Treating water in conformance to all applicable laws and the requirements by the Bureau of Public Water Supply of MSDH;
- 3.2.2 Staffing the Facilities in accordance with the staffing plan in Schedule 8 so as to

maintain operations personnel, certified by the State of Mississippi at the Class A level. Whenever a treatment plant is in operation, a Class A operator must be at the plant that is in operation. Any changes in the staffing plan must be approved by the City;

- 3.2.3 Providing all materials, both durable and consumable and supplies necessary to operate, manage and maintain the Facilities, including but not limited to chemicals and utilities, residuals management, rolling stock, and consumables;
- 3.2.4 Cooperating with the City and third party contractors who will be responsible for upgrading the Facilities during the Term of this Service Agreement. The Contractor will cooperate with these parties to minimize production disruptions and to maintain compliance with the performance standards and all applicable law;
- 3.2.5 Operating the on-site laboratory to ensure compliance with all applicable law and to monitor and manage the treatment process. The Contractor will develop and implement an appropriate QA/QC plan to address both sampling and testing of untreated and treated water and obtain the City's approval of the plan within sixty (60) days of the Commencement Date;
- 3.2.6 Responding immediately to emergency or disaster situations in accordance with the Emergency Operating Plan and providing assistance to the City during emergency conditions as requested by the City;
- 3.2.7 Maintaining professional responsible working relationships with The City of Vicksburg, regulatory authorities, material and service vendors, the media and the public;
- 3.2.8 Providing and maintaining adequate security at all Facilities, buildings, plant and equipment;
- 3.2.9 Providing unrestricted access by the City and its agents to the Facilities to observe operations and evaluate the condition of said Facilities. This shall include without limitation allowing the City to test and audit the performance of the equipment at Facilities;
- 3.2.10 Developing and Implementing or Updating Standard Operating Procedures (SOPs) and the CMMS to reflect the addition of new processes or equipment at the facilities and as necessary to ensure proper operation and performance of the Facilities.

3.3 Maintenance

The Contractor shall be responsible for all aspects of maintenance at the Facilities, including corrective, preventive, and predictive maintenance. The Contractor shall perform all of the preventive maintenance recommended by the manufacturer of the equipment at the frequency that the manufacturer recommends. Schedules 2 and 3 identify minimum predictive maintenance tasks that the Contractor shall perform. The Contractor shall use its professional judgement in determining what additional maintenance is appropriate and necessary.

The Contractor shall develop and implement maintenance procedures to ensure attainment of the objectives set forth in this Exhibit B. This includes, responding to corrective maintenance needs in a timely and appropriate manner. In all cases, the Contractor shall perform the corrective maintenance to conform to the equipment manufacturer's specifications.

The Contractor shall develop, supply and implement a computerized maintenance management system ("CMMS"). The CMMS will incorporate, at a minimum, the preventative maintenance tasks and schedules for all Facility equipment recommended by the manufacturer of the equipment. Furthermore, the Contractor shall work with the City to develop equipment and structure identification and naming system that is clear and easily understood. Tagging of equipment for inventory purposes shall be performed by the Contractor in coordination with the City. The CMMS software will be set up to provide the reports and information as described in Section 3.5 of this Exhibit B. The Contractor will also provide the City with a live link to the program, so that the City's representative may monitor the maintenance program including the status of preventive maintenance tasks and corrective maintenance work orders as well as develop, generate and print reports using the CMMS. This will include installation of a communication line from the Contractor's office to a location agreed upon by the City. Additionally, the Contractor will provide training for up to three (3) of the City's staff on the use of CMMS and how to develop and print reports. As the City completes upgrade of the Facilities, the Contractor will be required to update the CMMS to be current. The construction contractor, or the City, will provide the Contractor with a written list of newly installed equipment with warranty and operations and maintenance information. The Contractor will then use this information to update the CMMS system.

The tank maintenance service for all Elevated Storage Tanks is currently provided by City's third party contractor, Utility Service. The service provided by Utility Service includes followings:

- Annually structural inspection of tank and tower;
- Biennially drain and clean tanks to remove all mud, silt, and other accumulation that might be harmful to the tank or its contents;
- Specialized services including engineering and inspection services needed to carry out any and all repairs to the tank and tower needed;
- Clean and repaint the interior and /or exterior of the tank at such time as complete repainting is needed.

The Contractor shall be responsible for all other tank maintenance which is not covered by service agreement between the City and Utility Service. The Contractor shall be responsible for grounds maintenance at all water storage tank sites. The tank maintenance contract between the City and Utility Service is provided as Appendix D of this RFP.

If a piece of equipment fails, the City will determine whether the Contractor had followed the required maintenance procedures, both preventive and corrective. If the Contractor had

been deficient, then the Contractor is responsible for the entire cost of the repair or replacement. The Contractor shall not dispose of any equipment without the approval of the City.

The Contractor's responsibilities include but are not limited to the following:

- 3.3.1 Obtaining a determination from the City as to the ultimate disposition of all replaced components removed from the Facilities;
- 3.3.2 Annually, or as required removing from service each treatment tank or basin, thoroughly cleaning, inspecting and repairing equipment within each tank. Surfaces shall be thoroughly cleaned and any corrosion shall be removed and a protective coating applied as recommended by the equipment manufacturer. The tank surface maintenances and inspection for four Elevated Storage Tanks are not included in Contractor's responsibilities. The City's representative shall be notified at least one week prior to draining a basin or tank for inspection so that the City may also assess the condition of the unit;
- 3.3.3 Performing preventative maintenance on Medium Voltage Equipment as specified in Schedule 4;
- 3.3.4 Maintaining the electrical power service equipment at Well Field;
- 3.3.5 Operating under load, all emergency generators, at a minimum, weekly;
- 3.3.6 Developing and implementing an equipment rotation schedule to ensure that, where more than one piece of equipment is provided to perform a task, all are rotated into service so that, on an annual basis, all receive equal use. The Contractor shall prepare a list of equipment at each Facility that will be included in the equipment rotation schedule and obtain agreement from the City that the list is complete within thirty (30) days of the Commencement;
- 3.3.7 Performing annual vibration analysis testing of equipment listed in Schedule 2. The Contractor shall perform interpretation and analysis of test results and submit an evaluative written report in an approved format to the City, including necessary action plans. The Contractor shall promptly address any deficiencies identified in the testing report;
- 3.3.8 Performing annual oil sampling of equipment listed in Schedule 3. The Contractor shall perform interpretation and analysis of test results and submit an evaluative written report in an approved format to the City. The Contractor shall promptly address any deficiencies identified in the testing report;
- 3.3.9 Inspecting, maintaining and testing all backflow preventers within the Facilities operated or maintained by the Contractor in accordance with MSDH requirements, and at least annually performing calibration and testing;
- 3.3.10 Touching up paint on all equipment or facilities as needed to minimize

corrosion and maximize service life. The painting for Elevated Storage Tanks is excluded from Operations, Management and Maintenance contractor, this service is currently provided by City's another Service Contractor Utility Service for Tanks surface maintenance;

- 3.3.11 Conducting annual infrared inspections of all motor control centers, transformers and motor connections greater than 60 hp;
- 3.3.12 Coordinating with the City for a third party to calibrate the flow meters identified in Schedule 1;
- 3.3.13 Performing annual, or more frequent as required , calibration of instruments and flow measuring devices in accordance with manufacturer's recommended procedures; and
- 3.3.14 Repairing expansion joints to maintain integrity of concrete structures and prevent leaks;
- 3.3.15 Transmitting to the City copies of all warranties and O&M manuals for any new or replacement equipment purchased by the Contractor for use at any of the Facilities.

The Contractor shall perform the following tasks if a piece of equipment is to be removed from service:

- (i) Notify the City in writing that they wish to remove a piece of equipment from service.
- (ii) Any system that the Contractor would like to remove from service must have the following services performed.
 - a. Tanks must be cleaned and flushed out completely with water or the proper cleaning agent for the tank.
 - b. All chemical lines that are associated with the system must be cleaned out and flushed out completely with water or the proper cleaning agent for the tank.
 - c. All mixing equipment must be cleaned and parts lubricated to prevent corrosion from occurring due to the equipment not being in service.
 - d. All rotating equipment such as pumps and motors must be rotated on a weekly schedule. This can be performed by hand or by energizing the system.
 - e. Electrical motor heaters must remain energized to prevent condensation.
 - f. Chlorine systems removed from service will be purged with nitrogen gas and the lines plugged.
 - g. Treatment process units shall not be taken out of service for periods longer than one hundred eighty (180) days, unless otherwise approved by the City.

- (iii) If the Contractor removes equipment from service, the manufacturer's preventive maintenance tasks and schedules must continue to be performed.
- (iv) Update City's Inventory system after the equipment is removed.

The Contractor shall notify the City in writing one week prior to performing semiannual and annual preventive maintenance tasks on equipment identified as major equipment listed in Schedule 5. The City may have a representative witness the Contractor perform the preventive maintenance task.

The Contractor will be responsible for maintaining the Facilities. This includes but is not limited to the following:

- A) All spare parts, materials and supplies shall be stored in an orderly manner;
- B) Quarterly interior and exterior window washing;
- C) Roof leak repair within twenty-four hours of discovery;
- D) Regular pest control including fire ant control;
- E) As needed pest control for capture and removal of wild hogs and any pest control including fire ant control;
- F) Immediate repair of all plumbing and piping leaks and failures upon discovery;
- G) Damp mop daily floors of building entrances, administration areas, control rooms and laboratories with an approved solution;
- L) Strip all floors and apply new floor finish as required;
- M) Apply floor finish daily or as necessary to maintain appearance and safety standards on worn spots and high traffic areas;
- N) Walls will be cleaned every six months, and touch up paint applied as necessary;
- O) Tile walls will be washed every six months;
- P) Weed control will be performed in paved areas to keep cracks and joints clear of vegetation;
- Q) Grass and landscaped areas including Well Field will be maintained in an attractive, neat manner, which may be used for open houses and plant tours;
- R) Grass at Well Field will be maintained in an neat manner for operation access;

- S) Grounds maintenance at all sites of Elevated Storage Tanks;
- T) Grass length will not exceed four (4) inches in areas within one hundred (100) feet from the Facilities and buildings and vegetation growth will be maintained at twelve (12) inches or less in all other areas within the fenced areas of the Facility;
- U) Grass will be watered regularly during dry weather; and
- V) Grass will be mowed at least every two weeks during the growing season from April through November 15th of each year including Well field;
- W) The Well Field road will be maintained to in clean manner.

3.4 Sludge Processing and Disposal Services

The Contractor shall be responsible for managing and processing of sludge produced at the Facilities in accordance with all Local, State and Federal Regulations, Ordinances and Laws.

The Contractor shall maintain sludge cake total solids concentration measured as percent dry solids, at or above that achievable as demonstrated by a performance test of the existing sludge dewatering equipment. Prior to Contract Commencement the Contractor shall submit a proposed performance testing procedure to establish the acceptable percent by weight for approval by the City. The solids content of lime sludge produced as a result of the water softening process is approximately 45%-55% based on plant current operation condition.

The Contractor shall maintain lime sludge content within the range of 45%-55% to coordinate with existing sludge disposal service provider or new service provider after the expiration of current service agreement with Falco Chemical.

3.5 Reporting Requirements

The Contractor shall provide the City a checklist for routine monitoring, observing, inspecting, and maintaining the system. The Contractor shall provide periodic reports to the City. All reports and data shall also be saved in electronic format that will be turned over to the City at the end of the Term of the Service Agreement. The reports at a minimum shall include:

- 3.5.1 A monthly Repair and Maintenance Fund Expenditure charged to the Repair and Maintenance Fund. For each item purchased, the report shall indicate what equipment and Facility the item is to be used for or if it is an inventory item.
- 3.5.2 A monthly operations report that includes the following:
 - 3.5.2.1 Tabulation for each Water Treatment Plant of daily flows, raw water quality and treated water quality and other data as required by Bureau of Public Water Supply of MSDH;

- 3.5.2.2 Staffing changes along with a staffing roster for each Facility;
 - 3.5.2.3 A summary of all Lost Time Accidents that occurred at each Facility that identifies the individual(s) involved and the nature and severity of the accident;
 - 3.5.2.4 For each Facility, the number of Preventive Maintenance (PM) tasks completed, the number of scheduled PM tasks not completed, the estimated labor hours needed to complete those PM tasks;
 - 3.5.2.5 For each Facility, the number of Corrective Maintenance (CM) tasks completed, the number not completed and the estimated labor hours for those CM projects that are not completed;
 - 3.5.2.6 A list of equipment at each Facility that is out of service and needs to be repaired. The list shall indicate how long the equipment has been out of service, the nature of the repair(s) needed and the expected date when the repair(s) will be completed and the equipment available to be placed into service;
 - 3.5.2.7 The amount spent from the Repair and Maintenance Fund and the amount remaining in the Fund along with a listing of what was purchased for each Facility from the Fund;
 - 3.5.2.8 The amount of sludge (in dry tons) produced and processed from each Facility;
 - 3.5.2.9 A tabulation of taste, odor or other complaints received from customers for each Facility;
 - 3.5.2.10 Vibration Analysis results report for all facilities and test equipment as required under Scheule2, Exhibit B. A tabulation of running list of equipment tested and dates of testing on an annual basis;
 - 3.5.2.11 Oil Analysis result report for all facilities and test equipment as required under Scheule3, Exhibit B. A tabulation of running list of equipment tested and dates of testing on an annual basis;
 - 3.5.2.12 Electrical maintenance and semiannual and annual preventive maintenance activities performed to fulfill requirements of Schedule 4 and Schedule 5, respectively, of Exhibit B of the Service Agreement. Monthly report shall include activities completed and their compliance with requirements of Schedule 4 and 5.
- 3.5.3 Annually, recommend a Capital Improvement Plan (CIP) that identifies, the recommended CIP projects with an estimated cost and a rationale for each

project.

- 3.5.4 Annually prepare a report summarizing the operations over the previous year, major issues moving into the upcoming year, including but not limited to recommended modifications or improvements to the Facility, anticipated modifications enhancements to maintenance procedures.
- 3.5.5 Any reports requested by the City to verify operation and maintenance issues, or document special circumstances.
- 3.5.6 Monthly tabulation listing the amount and cost of each chemical purchased for the operation of the plant.

4. Service Agreement Close-out

At the termination of the Service Agreement, the Contractor will return the Facilities to its condition at commencement less normal wear and tear. All equipment will be fully operational in accordance with the manufacturer's equipment specifications.

Inventory levels will be replenished to the levels certified at service commencement. The City will undertake a complete inspection and audit to establish the condition of the Facilities prior to the completion of the Service Agreement. The Contractor will provide at no cost to the City, the data, software, hardware, and licenses for the CMMS system.

In the event that the Contractor fails to comply with these provisions, The City of Vicksburg may deduct the cost of repairs and/or grounds clean up from any amounts due the Contractor.

5. Schedules

The following listed schedules are included in the Exhibit B.

- **Schedule 1 Base Flows**
- **Schedule 2 Required Vibration Analysis**
- **Schedule 3 Required Oil Analysis**
- **Schedule 4 Electrical Maintenance of Substations, High and Medium Voltage Equipment and Generator**
- **Schedule 5 Major Equipment - City of Vicksburg to be Notified Prior to Semiannual and Annual Preventive Maintenance**
- **Schedule 6 Service Agreement Minimum Closeout Requirements**
- **Schedule 7 Equipment not Included in Scope of Services**
- **Schedule 8 Staffing Plan**
- **Schedule 9 Labor Tasks Chargeable to the Maintenance and Repair Fund**
- **Schedule 10 City's Current Employees**

Schedule 1

Base Flows

The daily average base flow and design capacity of the plant are listed in the table below based on historic data from plant operation.

Facility	Period	Base Flow (MGD)	Peak Flow Design Capacity (MGD)
Vicksburg Water Treatment Plant	Start - January 2016	7.2	16

Schedule 2

Required Vibration Analysis

Vibration Analysis required shall be, but not limited, to the followings:

LOCATION	STRUCTURE	EQUIPMENT	HP
LIST OF EQUIPMENT FOR ANNUAL VIBRATION ANALYSES			
CLEARWELL	HIGH SERVICE PUMP #1,	VERTICAL SHAFT TURBINE	700
CLEARWELL	HIGH SERVICE PUMP #2	VERTICAL SHAFT TURBINE	700
CLEARWELL	HIGH SERVICE PUMP #3	VERTICAL SHAFT TURBINE	350
CLEARWELL	HIGH SERVICE PUMP #4	VERTICAL SHAFT TURBINE	350
CLEARWELL	HIGH SERVICE PUMP #5	VERTICAL SHAFT TURBINE	250
FILTER	BACKWASH PUMP #1	VERTICAL SHAFT TURBINE	
FILTER.	BACKWASH PUMP #2	VERTICAL SHAFT TURBINE	
FILTER.	BACKWASH PUMP #3	VERTICAL SHAFT TURBINE	

Schedule 3

Required Oil Analysis

Oil Analysis required shall be, but not limited, to the followings:

LOCATION	STRUCTURE	EQUIPMENT	HP
LIST OF EQUIPMENT FOR ANNUAL VIBRATION ANALYSES			
CLEARWELL	HIGH SERVICE PUMP #1,	VERTICAL SHAFT TURBINE	700
CLEARWELL	HIGH SERVICE PUMP #2	VERTICAL SHAFT TURBINE	700
CLEARWELL	HIGH SERVICE PUMP #3	VERTICAL SHAFT TURBINE	350
CLEARWELL	HIGH SERVICE PUMP #4	VERTICAL SHAFT TURBINE	350
CLEARWELL	HIGH SERVICE PUMP #5	VERTICAL SHAFT TURBINE	250
FILTER	BACKWASH PUMP #1	VERTICAL SHAFT TURBINE	
FILTER.	BACKWASH PUMP #2	VERTICAL SHAFT TURBINE	
FILTER.	BACKWASH PUMP #3	VERTICAL SHAFT TURBINE	

Schedule 4

Electrical Maintenance of Substations, High, Medium, Low Voltage Equipment and Generator

All Electrical Preventive Maintenance and Repairs should be conducted by a qualified and certified professional, and/or the electrical provider Entergy.

1. Quarterly Preventative Maintenance

1.1 Visual Inspection – Power Transformers

- 1.1.1. Check and record oil level gauge readings.
- 1.1.2. Check and record oil and winding temperatures.
- 1.1.3. Check and record gas pressure gauge readings.
- 1.1.4. General inspection of bushings, lightning arresters and transformers.
- 1.1.5. Read and record percentage of combustible in gas blanket, with fault gas detector.
- 1.1.6. Repair or replace any abnormal conditions noted, as required, and document activities.

1.2 Visual Inspection, Switchgear Feeder Breakers:

- 1.2.1. Clean enclosures, remove rust and spot paint.
- 1.2.2. Record number of operations.
- 1.2.3. Check compartment heaters.
- 1.2.4. General inspection of breaker compartments
- 1.2.5. Repair or replace any abnormal conditions noted, as required, and document activities.

1.3 Visual Inspection, Capacitors:

- 1.3.1. Inspect capacitors for physical damage.
- 1.3.2. Check tightness of bolted connections by calibrated torque wrench method in accordance with manufacturer's published data.
- 1.3.3. Repair or replace any abnormal conditions noted, as required, and document activities.

1.4 Battery Banks:

- 1.4.1. Perform thorough visual inspection of each cell.
- 1.4.2. Clean battery cases with rags and distilled water.
- 1.4.3. Repair or replace any abnormal conditions noted, as required, and document activities.

2. Annual Preventative Maintenance

2.1 Visual Inspection, Disconnect Switches:

- 2.1.1. Inspect for physical and mechanical condition.
- 2.1.2. Check for proper anchorage and required area clearances.
- 2.1.3. Perform mechanical operation tests.
- 2.1.4. Check blade alignment.
- 2.1.5. Check each fuse holder for adequate mechanical support of each fuse.
- 2.1.6. Check tightness of bolted connections and/or cable connections by calibrated torque wrench method in accordance with manufacturer's published data.
- 2.1.7. Test all electrical and mechanical interlock systems for proper operation and sequencing.
- 2.1.8. Check proper phase barrier materials and installation.
- 2.1.9. Lubricate as required.
- 2.1.10. Exercise all active components.
- 2.1.11. Inspect all indicating devices for proper operation.
- 2.1.12. Repair or replace any abnormal conditions noted, as required, and document activities.

2.2 Relay Panels:

- 2.2.1. Visual inspection for physical damage, water leaks, ground connections, heater operation and loose connections.
- 2.2.2. Check operation of all manual switches and operating mechanisms.
- 2.2.3. Repair or replace any abnormal conditions noted, as required, and document activities.

2.3 Batteries

- 2.2.4. Clean old grease and corrosion from links and battery posts.
- 2.2.5. Apply new grease to links and posts.
- 2.2.6. Torque connection.

- 2.2.7 Perform cell voltage, bank voltage, positive to ground, negative to ground and specific gravity tests.
- 2.2.8 Add distilled water to cells as required.
- 2.2.9 Tabulate all test data on report form, provide overall analysis of data obtained from tests.

3. Every Five (5) Years

3.1 Power Transformers

- 3.1.1 Visual inspection of the exterior, radiator, bushings and all devices on the transformers.
- 3.1.2 Double test the transformers winding and bushing.
- 3.1.3 Power factor, acidity, interfacial tension dielectric breakdown and color test of oil.
- 3.1.4 Repair or replace any abnormal conditions noted, as required, and document activities.

4. Emergency Standby Generator

The new 2,250 KW emergency standby generator shall be operated and maintained by the Contractor.

Besides the regular preventive maintenance for this equipment, the Contractor shall have the operation and maintenance staffs exercise the emergency standby generator weekly and operate the generator monthly under full load to ensure proper transfer of electrical power. This exercise requires a reported 2-hour notification to the local power company (Entergy) prior to the exercising of the emergency standby generator under full load, and the manual transfer of electrical power by uncertified operations and maintenance staff.

The existing (Old) emergency generator is no longer in use and should be disconnected and removed from the site by the Contractor with the approval from the City.

Schedule 5

Major Equipment – City of Vicksburg to be Notified Prior to Semiannual and Annual Preventive Maintenance

At the Commence date of the Service Agreement, the Contractor shall investigate all facilities at the plant and create a list of Major Equipment within thirty (30) days for City to approve.

Upon City's approval, the Contractor is required to notify City ten (10) days prior to scheduled semiannual and annual preventive maintenance of each Major Equipment.

Schedule 6

Service Agreement Minimum Close-Out Requirements

Prior to the release of final payment to the Contractor at the conclusion of the Term of the Service Agreement, certain items shall be completed by the Contractor and accepted by the City. These items include, without limitation, the following:

1. Providing all equipment with proper barrier protection to prevent corrosion. This includes surface preparation according to the coating manufacturer recommendations.
2. Completing all preventive maintenance work orders generated by the CMMS system, and bringing preventive maintenance activities current and up to date.
3. Capturing any open work orders on a punch list.
4. Ensuring all Operations and Maintenance and vendor equipment manuals are appropriately filed and updated with current installed equipment, including ongoing construction activities that are not the responsibility of the Contractor. Information concerning this equipment will be provided to the Contractor by the City's Representative in a format suitable for incorporation into existing files.
5. Ensuring that the grounds and housekeeping conditions under the Service Agreement are satisfied.
6. Conducting a plant physical inventory in conjunction with the City.
7. Providing documentation of the final chemical inventory.
8. Providing documentation of the final spare parts inventory.
9. Repairing any mechanical maintenance deficiencies, including those items identified as a result of vibration testing, oil analysis, or other documented means.
10. Submitting all Operations and Maintenance records in both hard copy and electronic format. Turning over to the City all hardware, software, manuals, data and necessary licenses for the CMMS used at the Facilities.
11. Returning out of service equipment prepared for long-term storage to ready operational state.

12. Removing and disposing of all process residues, as a result of performing Service Agreement in an approved manner.
13. Resolve all outstanding contractual issues and release the City from any further or future liability.

Schedule 7

Equipment and/or Services not Included in Scope of Services

Equipment and/or Services not included in Scope of Services shall be as follows.

- Maintenance service provided by Utility Service, Inc., in the term of service agreement between City and Utility Service.
- Lime Sludge Disposal service provided by Falco Chemical, Inc., in the term of service agreement between City and Falco Chemical.
- City of Vicksburg Water Distribution System.

Schedule 8

Staffing Plan

To be filled in based upon Proposal as modified by mutual agreement by the City and the Contractor. Staffing plan must address transition of City employees to Contractor staff.

Schedule 9

Labor Tasks Chargeable to the Maintenance and Repair Fund

The labor tasks chargeable to Maintenance and Repair Fund described in Service Agreement include as follows:

1. Major Repairs to Roofs;
2. Motor Rewinding;
3. Annual Flow Meter Calibration;
4. Rigging and Crane Services (Certification by Outside Contractor is required by OSHA);
5. High voltage electrical service to perform the work in Schedule 4 of Exhibit B;
6. HVAC System repairs and preventive maintenance as required.

Schedule 10

Current City's Employees

(as of January 13, 2016)

Employee Name	Job Class Description	Hire Date	Base Pay	Longevity	Pay with Longevity	Pay Annual Salary
Marilyn Edward	Secretary II	3/1/1995	\$14.32	\$0.35	\$14.67	\$30,513.60
Dennis Hicks	Water Treatment Operator	11/16/1993	\$13.71	\$0.35	\$14.06	\$29,244.80
---- ¹	Water Treatment Supervisor (Retired)	7/17/1995	\$23.83	\$0.35	\$ 24.18	\$50,294.40
Barry Renfrow	Water Treatment Operator	5/7/2007	\$10.79	\$0.09	\$10.88	\$22,630.40
Michael Hoover	Maintenance Technician	7/18/2012	\$11.19	\$0.00	\$11.19	\$23,275.20
Wayne Andrew	Water Treatment Operator	5/26/2008	\$10.74	\$0.09	\$10.83	\$22,526.40
Willie Flagg	WTP Sludge Plant Operator	8/12/2009	\$11.19	\$0.09	\$11.28	\$23,462.40
Malcolm Wade	WTP ASST Maintenance Supervisor	10/31/2011	\$15.76	\$0.00	\$15.76	\$32,780.80
Zachary Smith	Maintenance Technician	11/5/2014	\$11.00	\$0.00	\$11.00	\$22,880.00
Jerry Loel	Maintenance Technician	8/5/2015	\$10.00	\$0.00	\$10.00	\$20,800.00

Note: ¹ – this position is currently vacant

Exhibit C

Annual Fee

Part 1 – Establishment of the Annual Fee, Base Annual Fee and Initial Annual Fee

The Base Annual Fee is the Annual Operations, Management and Maintenance Component a) as defined in the paragraphs below.

The Annual Fee is equal to the sum of component a) and b) as defined in the paragraphs below and shall include all costs for the operations, management and maintenance of the water treatment facilities including but not limited to employee salaries and benefits, utilities, chemicals, materials and supplies, rolling stock and Contractor overhead and profit charges.

- a) Base Annual Fee - Annual Operations, Management and Maintenance Component representing the Contractor's annual price for the Operations, management and Maintenance of the water treatment facilities equal to
_____dollars (\$_____).
- b) The Annual Repair and Maintenance Component equal to Fifty thousand dollars (\$ 50,000). The Contractor shall either refund any amount of the Annual Repair and Maintenance Amount that has not been spent or reduce the next year's Annual Fee by the amount that has not been spent. The Annual Repair and Maintenance Component is not subject for CPI adjustment and only subject to change based on mutual agreement between the City and the Contractor.

The Initial Annual Fee for the first Contract Year is equal to the sum of Base Annual Fee and Start-Up Fee c) as defined in the paragraphs below.

The Start-Up fee is defined as a one-time cost for plant upgrade and improvement as Start-Up Component c) as defined in the paragraphs below in the 1st Contract Year.

- c) The Start-up Fee Component to be occurred during first Contract Year for plant upgrade and improvement consisting of the following:
 - (i) OSHA Compliance
_____dollars (\$_____)
 - (ii) Development of SOPs
_____dollars (\$_____)
 - (iii) Development of CMMS
_____dollars (\$_____)

The Start-up Fee, the sum of (i), (ii) and (iii), equal to

_____ dollars (\$_____).

Part 2 – CPI Adjustment of Base Annual Fee for Contract Year 2 and Subsequent Contract Year

The annual fee (“Annual Fee”) for Contract Year 1 shall be equal to the Initial Annual Fee.

As of April 25 of Contract Year 2, and as of each April 25 of each subsequent Contract Year, the Annual Fee shall be adjusted from Base Annual Fee by Consumer Price Index for All Urban Consumers (U.S. City Average) as published by the U.S. Department of Labor, Bureau of Labor Statistics (“CPI”) for April of corresponding Contract Year.

The Annual Fee for Contract Year 2 and subsequent Contract Year shall be sum of Base Annual Fee with CPI adjustment and Repair and Maintenance Component b). Note that the Repair and Maintenance Component b) shall not be subject to CPI adjustment.

Exhibit D

Insurance

This required insurance shall be carried and maintained by the Contractor throughout the Term of this Service Agreement (and any extensions thereof), and certificates of insurance shall contain a provision by the insurer(s) to the effect that the policy(s) may not be canceled, fail to be renewed, nor the limits decreased by endorsement without thirty (30) days prior written notice to the City.

- A. During the term of the Service Agreement, the Contractor shall provide, pay for, and maintain with companies satisfactory to the City, the types of insurance described herein. All insurance shall be from insurance companies eligible to do business in the State of Mississippi, that are financially sound and generally recognized as responsible, and who maintain an A.M. best rating of financial strength of A- (minus) or higher and a financial size category of IV or higher.. All liability policies (except professional liability policies) shall provide that the City is named additional insured as to the operations of the Contractor under this Agreement and shall also provide the following Severability of Interest Provision:

With respect to claims involving any insured hereunder, except with respect to limits of insurance, each such interest shall be deemed separate from any and all other interest herein, and coverage shall apply as though each such interest was separately insured.

Upon execution of this Service Agreement, the insurance coverage and limits required must be evidenced by properly executed certificates of insurance on the forms furnished by the City or, if required by the City, issued on Acord Form No. 25. The certificate must be signed by the authorized representative of the insurance company(s) shown in the certificate with proof that he/she is an authorized representative thereof. In addition, certified, true and exact copies of all insurance policies required shall be provided to the City on a timely basis if required by the City. The required policies of insurance shall be performable in the City of Vicksburg, Mississippi, and shall be construed in accordance with the laws of Mississippi.

No less than thirty (30) days prior written notice by registered or certified mail shall be given to the City of any cancellation, intent not to renew, or reduction in the policies' coverage except in the application of the aggregate limits provisions. In the event of a reduction in any aggregate limit, the Contractor shall immediately notify the City and shall make reasonable efforts to have the full amount of the limits appearing on the certificate reinstated. If at any time the City requests a written statement from the insurance company(s) as to any impairments to the aggregate limit, the Contractor hereby agrees to promptly authorize and have delivered to the City such statement. The Contractor authorizes the City to confirm all information so furnished as to the

Contractor's compliance with its bonds and insurance requirements with the Contractor's insurance agents, brokers, surety and insurance carriers. All insurance coverage of the Contractor shall be primary to any insurance or self-insurance program carried by the City without any right of contribution from other insurance carried by the City. The Contractor shall also be responsible for all self-insured retentions contained in its insurance coverages, as well as any excluded losses if such losses are within the liability of the Contractor. The City shall have the right to fully participate in all insurance claim settlement negotiations and to approve all final insurance settlements, which approval shall not be unreasonably withheld. Not later than sixty (60) days prior to the beginning of each contract year throughout the term, the Contractor shall furnish certificates of insurance to the City to confirm the continued effectiveness of the required insurance. Whenever a subcontractor is utilized by the Contractor, the Contractor shall either obtain and maintain or require the subcontractor to obtain and maintain insurance in accordance with the requirements set forth in this Agreement. If the Contractor fails to pay any premium for required insurance, or if any insurer cancels any required insurance policy and the company fails to obtain replacement coverage so that the required insurance is maintained on a continuous basis, then, at the City's election, (but without any obligation to do so), the City, following notice to the contractor, may pay such premium or procure similar insurance coverage from another company or companies and upon such payment by the City the amount thereof shall be immediately reimbursable to the City by the Contractor. The failure of the Contractor to obtain and maintain any required insurance shall not relieve the contractor of its liability for any losses intended to be insured thereby. Should any failure to provide continuous insurance coverage occur, the contractor shall indemnify and hold harmless the City from and against any and all loss and expenses arising out of such failure. Purchase of insurance to satisfy the contractor's obligation under this section shall not be a satisfaction of any Contractor liability under the Service Agreement or in any way limit, modify or satisfy the company's indemnity obligations hereunder.

- B. No work or occupancy of the Facilities shall commence unless and until the required certificates of insurance are provided and in effect. Contractor shall provide copies of certificates for such insurance before commencement of work, but this action will not relieve the Contractor of its independent obligation to obtain such insurance. Insurance certificates shall state that thirty (30) days written prior notice of cancellation will be provided to the City, without language such as "endeavor to mail notice" or "failure to mail such notice shall impose no obligation or liability."
- C. The insurance coverage and limits required of the Contractor under this Service Agreement are designed to meet the minimum requirements of the City. Such coverage and limits are not designed as a recommended insurance program for the Contractor. The Contractor alone shall be responsible for the sufficiency of its own insurance program. Should the Contractor have any question concerning its exposures to loss under this Service Agreement or the possible insurance coverage needed therefore, the Contractor should seek professional assistance.

D. Any deductibles or self-insured retentions or any scheme other than a full insured program of general liability, automobile liability, and workers compensation employer's liability must be declared by the Contractor for approval in advance by the City. At the option of the City: (1) the Contractor shall require the insurer to reduce or eliminate such deductibles or self-insured retentions with respect to the City; or (2) the Contractor shall procure a bond guaranteeing payment of the losses and related investigations, claim administration and defense expenses not otherwise covered by the Contractor's insurance because of deductibles or self-insurance retentions; or (3) the Contractor shall provide owners protective liability coverage with the City as the named insured, for the commercial general liability requirement, in a combined single-limit bodily injury and property damage amount of Ten Million Dollars (\$10,000,000.00).

E. The Contractor shall provide the City the following insurance:

(1) Worker's compensation and employer's liability. The Contractor shall maintain, during the Term of the Service Agreement (and any extensions thereof), worker's compensation insurance as prescribed by the laws of the State of Mississippi and employer's liability insurance in an amount not less than One Hundred Thousand Dollars (\$100,000.00) each for all its employees employed at the Facilities, and in case any work is subcontracted, the Contractor shall require the subcontractor similarly to provide worker's compensation and employer's liability insurance for all the subcontractor's employees, unless such employees are covered by the protection afforded by the Contractor. In the event any class of employees engaged in work performed under the Service Agreement or at the Facilities is not protected under such insurance heretofore mentioned, the Contractor shall provide and shall cause each subcontractor to provide adequate insurance for the protection of the employees not otherwise protected.

(2) Commercial general liability insurance. The Contractor shall maintain during the Term of the Service Agreement (and any extensions thereof) sufficient commercial general liability insurance to protect the Contractor and any additional insured(s) from claims for bodily injury, including death, as well as from claims from property damages or loss, which may arise from activities, omissions and operations under the Agreement, whether such activities, omissions and operations be by the Contractor or by any subcontractor or by anyone directly or indirectly employed by or acting on behalf of or to the benefit of them. The amounts of such insurance coverage for insured and each additional insured shall be not less than the following:

Single occurrence or accident liability in an amount not less than One Million Dollars (\$1,000,000.00) for any number of claims arising out of a single accident or occurrence and Two Million Dollars (2,000,000) general aggregate limit.

If commercial general liability coverage is written in a "claims-made" form, the Contractor shall also provide tail coverage that extends a minimum of one year from the expiration of this Service Agreement.

- (3) Automobile liability insurance shall be maintained by the Contractor as to the ownership, maintenance, and use of all owned, non-owned, leased or hired vehicles, with limits of not less than:

Bodily injury and property damage liability	\$1,000,000.00	Combined single limit each accident
--	----------------	--

- (4) Valuable paper insurance in an amount not less than fifty percent (50%) of the Contractor's total fee to assure the restoration, in the event of their loss or destruction, of any field notes, drawings, documents, summaries, estimates, reports, specifications, data, as-built drawings, renderings, calculations, tracings, computer files, models or plans (hereinafter collectively referred to as "documents") obtained or prepared as a part of this Contract and the delivery of said documents to the City upon the completion, expiration, cancellation or termination of this Contract. The City is to be named as loss payee for its interest only.
- (5) Professional liability insurance. Before this Agreement may become effective, the Contractor shall provide the City with a certificate of insurance evidencing the Contractor's coverage under a Professional Liability Insurance Policy in an amount not less than \$1,000,000 aggregate annual limit of liability. Such insurance shall be maintained for a period of two (2) years after the completion of this Agreement.

Any lapse of insurance coverage is declared a breach of this Agreement. The City may, at its option, suspend this Service Agreement until there is full compliance with this Exhibit D-Insurance or terminate this Service Agreement for nonperformance.

The provisions of this Exhibit shall not limit or define the provisions of any other paragraph in this Service Agreement.

Exhibit E

Form of Performance Bond

_____, the Contractor and as "Principal" herein and _____
_____ a corporation organized and existing under the laws of the state
of _____ as "Surety" are jointly and severally bound unto the City of
Vicksburg ("City") in the amount of the annual service fee or \$_____.

This Performance Bond shall be enforceable in the amount stated above against the Principal and Surety, their successors and assigns, for any and all costs, expenses, fees, charges, damages, injuries and losses incurred by the City for the failure of the Principal to perform pursuant to the Service Agreement, executed between the City and the Principal and dated as of _____, 2016, at any time during the term of said Service Agreement, and any extension or option for extension provided therein.

Now, therefore, if said Principal shall, in all particulars, well, truly and faithfully perform and abide by said Service Agreement and each and every term of said Service Agreement; and if said Principal shall defend, protect, indemnify, and hold harmless the City from any claim, expense, loss, injury or damage resulting directly or indirectly from the breach of any term or provision of said Service Agreement or from any act or omission in the performance of any term or provision thereof, and if Principal shall make all payments and provide all labor, materials and services as provided by the Service Agreement and the Performance Bond, then this obligation shall be null and void after termination of the Service Agreement, and any extension or option for extension thereof provided therein, less and except for any and all outstanding or unresolved claims made by the City, otherwise this Performance Bond shall be and remain in full force and effect.

This Performance Bond and the funds represented hereby shall be a guarantee of the full faithful performance of the Service Agreement by the Principal, or upon its failure, by the Surety and of full and timely payments of all sums by Principal, or upon its failure, by the Surety; indemnification of the City by the Principal, or upon its failure, by the Surety; and provision of all services, labor, and materials by the Principal, or upon its failure, the Surety.

It is expressly agreed and understood by the parties hereto that no changes, amendments or alterations in said Service Agreement or the plan or mode of performance shall have the effect of releasing or limiting the obligations of the Principal or the Surety, or their successors and assigns, pursuant to this Performance Bond. In addition, it is expressly agreed by the parties hereto that the rights provided by this Performance Bond shall not limit any other right of the City under the Service Agreement or by law to recovery for any costs, fees, loss, expense or damages caused by the Principal.

PROVIDED FURTHER, that if any legal action be filed upon this Performance Bond, exclusive venue shall lie in the City of Vicksburg, State of Mississippi.

IN WITNESS WHEREOF, the Principal and the surety have caused this Performance Bond to be executed by their duly authorized officers and agents.

The Principal herein has caused this Performance Bond to be executed the _____ day of _____, 2016.

ATTEST:

PRINCIPAL

(Seal)

Title _____

Title _____

SWORN TO AND SUBSCRIBED

BEFORE ME THIS _____ DAY OF _____, 2016

(SEAL)

NOTARY PUBLIC IN AND FOR THE STATE OF _____

The Surety herein has caused this Performance Bond to be executed the _____ day of _____, 2016.

ATTEST:

SURETY

(Seal)

Title _____

Title _____

SWORN TO AND SUBSCRIBED

BEFORE ME THIS _____ DAY OF _____, 2016

(SEAL)

Exhibit F

Nondiscrimination Certificate for Water Treatment Plant Operations, Management and Maintenance Services Agreement

STATE OF MISSISSIPPI
THE CITY OF VICKSBURG

In connection with the performance of work under this Service Agreement, the Contractor agrees as follows:

- A. The Contractor agrees not to discriminate against any employee or applicant for employment because of race, creed, sex, color, national origin, ancestry, age or disability, as defined by the Americans with Disabilities Act of 1990, Sec. 3(2). The Contractor shall take affirmative action to insure that employees are treated without regard to their race, creed, color, national origin, sex, ancestry, age or disability, as defined by the Americans with Disabilities Act of 1990, Sec. 3(2). Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruiting or recruitment, advertising, layoff or termination, rate of pay or other forms of compensation and selection for training, including apprenticeship. The Contractor and subcontractors shall agree to post in a conspicuous place, available to employees and applicants for employment, notices to be provided by the City Clerk of the City of Vicksburg setting forth the provisions of this section.
- B. In the event of the Contractor's noncompliance with this Nondiscrimination Certificate, the Service Agreement may be canceled, terminated or suspended by the City. The Contractor may be declared, by the City, ineligible for further contracts until satisfactory proof of intent to comply shall be made by the Contractor and/or subcontractors.
- C. The Contractor agrees to include the requirements of this Nondiscrimination Certificate in any subcontracts connected with the performance of this Service Agreement.

I have read the above clause and agree to abide by its requirements.

The signature page follows this one on next page.

Printed name of the Contractor: _____

Signature of executing individual: _____

Title: _____

Address of the Contractor: _____

(A.C.) Tel. Number and FAX Number (if any)

signed and sworn to before me on this _____ day of _____, 2016, by

Notary Public

My Commission Expires: _____

Appendix A
Plant Inspection Report – CDM Smith

Appendix B

Plant Record Drawings

Appendix C
Well Field and Elevated Storage Tanks
Location Map

Appendix D
Service Agreement of Tank Maintenance –
Utility Service

Appendix E
City of Vicksburg Annual Service Fee 2015

Appendix F
Service Agreement of Lime Sludge Disposal –
Falco Chemical